

Lassen County Transportation Commission

TDA Triennial Performance Audit of Lassen Transit Service Agency for FY 2021/22 - FY 2023/24

FINAL REPORT | APRIL 2025





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Chapter 1 | Executive Summary

In 2024, the Lassen County Transportation Commission (LCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator 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 Lassen Transit Service Agency (LTSA) 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 LTSA's public transit program for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

The Lassen Transit Service Agency oversees the operation of the Lassen Rural Bus (LRB). The LRB provides fixed-route and on-demand response services within the City of Susanville. Deviated fixed-route service is offered up to three-quarters of a mile off the regular route. Commuter service is provided to the communities of Westwood, Chester, and Herlong/Doyle. Additional commuter service is provided into Susanville from Herlong, traveling through Standish and Litchfield.

LRB also provides Dial-A-Ride service for persons age 60 and older, Medicare cardholders, and ADA-certified individuals. It is a door-to-door, origin to destination transportation service. The Dial-A-Ride service operates Monday through Friday between 7:00 a.m. and 6:52 p.m. and on Saturday between 8:00 a.m. and 3:52 p.m. within Susanville city limits. Only persons certified by LTSA as meeting the requirements are eligible to use the Dial-A-Ride service. Reservations for the Dial-A-Ride service may be made up to 14 days in advance.

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 LTSA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The TDA fiscal audits for FY 2022/23 and FY 2023/24 were submitted after the extended deadline.
2. LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Status of Prior Recommendations

The prior audit – completed in March 2023 by Michael Baker International for the three fiscal years ending June 30, 2021 – included three recommendations:

1. [Prepare separate State Controller Reports for general public fixed-route and specialized Dial-A-Ride service.](#)
Status: Implemented.
2. [Explore new revenue streams and improve operating efficiency.](#)
Status: Implementation in progress.
3. [Expand transportation options to Reno and other surrounding areas.](#)
Status: Implementation in progress.

Findings and Recommendations

Based on discussions with Lassen Transit Service Agency staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the LTSA.

1. The TDA fiscal audits for FY 2022/23 and FY 2023/24 were submitted after the extended deadline.
2. LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

The audit team has identified two functional findings. While these finding are not compliance findings, we feel they are significant enough to be addressed within this audit:



1. There are a number of operational issues related to internet connectivity.
2. Data reported to internal and external entities demonstrated some significant inconsistencies.

In completing this Triennial Performance Audit, we submit the following recommendations for LTSA'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	Continue to ensure timely completion of TDA fiscal audits.	High	Ongoing
2	Work with the LTSA's auditor to utilize the TDA definition of full-time equivalent (FTE) employee for State Controller Reporting	Medium	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Explore grant funding to install satellite internet (such as StarLink) onboard the buses and at transit facilities as needed.	Medium	FY 2025/26
2	Ensure data is recorded and cited as accurately as possible on all reporting documents.	High	FY 2024/25



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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Lassen Transit Service Agency's public transit program covers the three-year period ending June 30, 2024. 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 2024, the Lassen County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the LTSA 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 Auditing 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 LTSA 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 Lassen Transit Service Agency included thorough review of documents relevant to the scope of the audit, as well as information contained on the LTSA's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;



- Accident/road call logs; and
- Organizational chart.

The methodology for this review included a virtual site visit on October 23, 2024. The audit team met with Cynthia Raschein (Assistant Director), Jasleen Mutti (Transportation Planner), Genevieve Evans (LSC, consultant), 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 LTSA'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 LTSA 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 LTSA 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 LTSA:

1. The TDA fiscal audits for FY 2022/23 and FY 2023/24 were submitted after the extended deadline.
2. LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

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. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

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 three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus 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 Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2021/22: January 25, 2023 FY 2022/23: January 31, 2024 FY 2023/24: January 29, 2025
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	FY 2021/22: March 29, 2023 FY 2022/23: May 7, 2024 FY 2023/24: Expected April 2025
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	12/03/2020 12/06/2021 12/07/2022 12/12/2023
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	LSTA does not operate in any urbanized areas.
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 definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	The LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.
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	
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 2021/22: +9.88% FY 2022/23: +2.17% FY 2023/24: +3.42% Source: TDA claims, FY 2022 – FY 2024.



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Compliance Element	Reference	Compliance	Comments
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 2021/22: +9.88% FY 2022/23: +2.17% FY 2023/24: +3.42% <i>Source: TDA claims, FY 2022 – FY 2024.</i>
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	There are no urbanized areas in Lassen County.
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 2021/22: 36.04% FY 2022/23: 45.47% FY 2023/24: 26.42% <i>Penalties waived during the audit period under AB 90, AB 149, and SB 125.</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	The LTSA contracts with a private provider for operations, while the County contributes to the LTSA staff's retirement under the California Public Employees 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	Efficiency tests were waived during the audit period.



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 Lassen Transit Service Agency has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in March 2023 by Michael Baker International for the three fiscal years ending June 30, 2021 – included three recommendations:

1. [Prepare separate State Controller Reports for general public fixed-route and specialized Dial-A-Ride service.](#)

Discussion: The prior auditor noted LTSA’s annual Transit Operators’ Financial Transactions Report to the State Controller has historically combined information for both general public (fixed route) and specialized service for seniors and persons with disabilities (Dial-A-Ride). Although the State Controller’s Office had not provided specific notice to the LTSA, written instructions to prepare this particular report require separate reporting of these modes. In the General Instruction Form completed by the LTSA, a selection must be made as to which mode of transit is represented in the report. The options are general public use or elderly/disabled.

The *Transit Operators’ Financial Transactions Report Instructions* contain the following passages under the General Instruction Form:

Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service.

... Check one box only, either “General Public Use” or “Elderly Handicapped,” not both. Those agencies providing a service to the general public and an exclusive service to the elderly or handicapped must file a separate report for each type of service.

The submission of separate reports to the State Controller will demonstrate LTSA’s initiative-taking approach to compliance with state reporting instructions.

During the prior audit, the LTSA indicated the Transit Operators’ Financial Transactions Reports submitted annually to the State Controller are completed and filed by an external, independent auditor. LTSA staff contend that the auditor could not determine the exact costs for the specialized handicapped service because, besides the direct hourly service costs from the third-party contractor, fuel, administration, and maintenance costs cannot be directly accounted for. These costs are being calculated internally for National Transit Database reporting and have been provided to the independent auditor; however, they may not be calculated in a method acceptable for State Controller’s Office reporting standards. The prior auditor recommended LTSA



and the independent auditor should determine an acceptable format in which to present this data so that it may be properly meet State Controller's Office reporting standards.

Progress: The LTSA continued submitting one SCO report for both fixed-route and on-demand services through FY 2022/23. LTSA staff subsequently contacted the State Controller's Office and was issued an additional account for its Specialized Service. It began reporting the services separately for FY 2023/24.

Status: Implemented.

2. Explore new revenue streams and improve operating efficiency.

Discussion: During the prior audit period, operating costs increased at a modest pace, with an average annual rate of change of 3.7 percent. LTSA operating costs are largely tied to the operations contract it holds with Paratransit Services Inc., where costs are tied to a fixed hourly rate per vehicle service hour and a fixed monthly rate per service month and a maximum yearly obligation. The audit period also coincided with the final years of the previous contract operator agreement, where variable and fixed pricing increased roughly 1.5 percent each year.

Following the prior audit period, a new operating contract was signed between the LTSA and Paratransit Services Inc. This new contract had significant increases in fixed and variable costs compared to the previous contract. Additionally, these costs were set to increase 3 percent annually throughout the duration of the new contract, double the annual increase of the previous contract.

The 2021 TDP aimed to address this increase in operating costs as it related to revenue; however, the values may have been understated. The TDP projected that operating costs might overtake revenues by FY 2025 based on a 16 percent increase in operating costs from FY 2021 to FY 2022 and 2.5 percent annual growth following that. The prior auditor noted this potential understatement could lead to operating costs outpacing revenues much sooner than anticipated.

The LTSA intended to use CARES Act funding over the subsequent fiscal years to help keep revenues higher during the initial increase in operating costs; however, this was only a temporary fix, delaying a potential budget deficit in the coming years. Additionally, with the closure of the Correctional Center in Susanville, the population may fall in the county, thus affecting federal funding that is partially tied to population values.

The TDP provided several plans which the LTSA could implement to avoid a budget deficit in the coming years. As one method, the LTSA planned to investigate a reduction and/or elimination of current services as a way to reduce operating costs of routes where ridership is not deemed sustainable. This would allow the LTSA to free up operating costs and utilize them toward higher unmet need transit services, such as non-emergency transportation to Reno. Shifting funds reserved for capital purposes to cover operating expenses was another suggested method, which may be a temporary fix and put future capital project funding at risk.



It was recommended that the LTSA look to add additional revenue streams to offset the increase in operating costs expected in the coming fiscal years. The existing MOUs with Lassen College and Far Northern Regional Center have proven to be successful revenue streams and the prior auditor suggested LTSA consider new partnerships in the surrounding areas that could provide steady revenue. The Susanville Indian Rancheria is also a potential option for partnership, as Diamond Mountain Casino transportation could be a potential untapped resource for visitors not from the immediate Susanville area. Additionally, it was recommended LTSA review the performance of its microtransit service toward the end of its pilot program and examine whether this service can provide a more cost-effective alternative to fiscally inefficient fixed-route services.

Progress: The LTSA has been looking at options to sell advertising space on buses to create a new revenue stream. It also applied for additional funding for capital (FTA Section 5339) and planning (Caltrans), though the planning grant was unsuccessful.

Status: Implementation in progress.

3. Expand transportation options to Reno and other surrounding areas.

Discussion: During the prior audit, the LTSA voiced that one of the biggest current unmet transit needs revolved around providing non-emergency transportation to Reno, as well as other surrounding cities such as Redding. At that time, Lassen Senior Services provided transportation from Susanville to Reno on Tuesdays and Thursdays for medical appointments for the senior population. The Modoc Sage Stage provided an intercity route connecting Susanville and Reno; however, there was only a two-hour layover in Reno before the bus returned to Susanville, which provided a tight window for passengers using the service for shopping or medical appointment needs.

The 2021 TDP laid out several courses of action to address this unmet transit need. Financial and ridership analysis was done for each option. One option considered was general public intercity transportation from Susanville to Reno that would run on days opposite of the Modoc Sage Stage route. Another more favorable option was for general public, non-emergency medical transportation service that would provide service to Reno for medical appointments only. Public outreach indicated this is where more of the need lies, particularly with an aging population who require more medical treatments.

An additional comment received from riders is that they are disappointed in the ability to connect with outside service areas such as Redding, Red Bluff, and Chico.

The 2021 TDP laid out a timeline for implementing non-emergency medical transportation service to Reno in the coming fiscal years depending on the availability of funding. It was recommended by the prior auditor that the LTSA follow through with the goals set forth in the 2021 TDP in regard to non-emergency transportation to Reno, as well as look into the feasibility of additional service options to other areas currently underserved. This recommendation would be heavily dependent on the LTSA's ability to reduce costs related to current services provided and to increase revenues to allow for service expansion. This could include collaboration with



surrounding transit operators to alleviate the financial burden felt by introducing new services provided solely by the LTSA.

Progress: At the time of the site visit, LTSA was planning to implement non-emergency medical transportation (NEMT) service to Reno. With the acquisition of a new van through an FTA Section 5339 grant, the service is anticipated to be launched in FY 2025.

Status: Implementation in progress.



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 LTSA both internally as well as to outside entities during the audit period.

- **Operating cost:** Confirming the accurate operating cost of the transit program was difficult, given some significant variances between the TDA fiscal audit, the National Transit Database (NTD) report, and the State Controller Report. In FY 2021/22, amounts reported by the fiscal audit and to the State Controller were generally consistent, but approximately 33 percent higher than that reported to the NTD. Greater variances were observed in FY 2022/23, with the highest amount (reported to the State Controller) 59 percent greater than that reported to the NTD. At the time of the draft report, the TDA fiscal audit for FY 2023/24 was unavailable, but the variance between the NTD and State Controller Reports was 30 percent.
- **Fare Revenue:** While the reported fare revenues tended to be more consistent, there were still some significant differences, particularly in FY 2022/23. In that year, the greatest variance (33 percent) was between the TDA fiscal audit and the State Controller Report. The most common reason for a variance in fare revenue is the inclusion of certain revenues as fare revenue for some reports but not for others. It is unclear as to the cause of the variance in this case.
- **Vehicle Service Hours (VSH):** This metric was reported consistently between the NTD report and State Controller Report in FY 2021/22 and FY 2023/24. In FY 2021/22, the variance between these reports and the monthly performance reports was 1.1 percent; in FY 2023/24, the variance was 46.1 percent. Data reported among all three reports varied in FY 2022/23, with the greatest variance due to a misreporting of VSH in the State Controller Report that resulted in a figure more than 12 times higher than that reported to the NTD.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the NTD report and State Controller Report in FY 2021/22, as well as between the monthly performance reports and the NTD report in FY 2023/24. In FY 2021/22, the variance between these reports and the monthly performance reports was 0.4 percent. In FY 2023/24, the variance between the consistent reports and the State Controller Report was 8.0 percent. Data reported among all three reports varied in fiscal year 2022/23, with the greatest variance between the NTD report and the State Controller Report at 17.2 percent.
- **Passengers:** This metric was reported consistently between all three reports in FY 2021/22. In FY 2023/24, data reported to the NTD and in the monthly performance reports was consistent, with only a 1.2 percent variance from the State Controller Report. Data reported among all three reports varied in fiscal year 2022/23, with the greatest variance between the NTD report and the



State Controller Report at 21.6 percent. The reason for the significant differences could not be determined.

- **Full-Time Equivalent (FTE) Employees:** LTSA reported using a definition of full-time equivalent that divides the number of work hours by 2,080, not 2,000 (as in the TDA definition). In FY 2021/22 and FY 2023/24, the employees were correctly allocated between modes. However, in FY 2022/23, all employees were reported for both modes, resulting in twice as many employees being reported.

It should also be noted that FY 2023/24 was the first time LTSA completed the State Controller Report for Specialized Services. It was observed that the same Supplemental Operating Data for the demand response mode was reported on Form #5 in the regular Transit Operator report as well as in the Specialized Services report. Supplemental Operating Data reported in the Specialized Services report should not also be reported in the Transit Operator report. LTSA staff or auditors charged with completing this report in the future should reference the instructions for the State Controller's Transit Operator Financial Transaction Report if there are any questions about how to complete the form.



Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$1,642,576	\$1,989,727	<i>Pending</i>
<i>National Transit Database</i>	\$1,246,882	\$1,304,749	\$1,310,660
<i>State Controller Report</i>	\$1,659,563	\$2,075,686	\$1,703,404
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$156,954	\$180,477	<i>Pending</i>
<i>National Transit Database</i>	\$157,414	\$158,208	\$160,127
<i>State Controller Report</i>	\$156,954	\$135,794	\$164,833
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	9,077	9,315	7,350
<i>National Transit Database</i>	8,972	8,470	10,739
<i>State Controller Report</i>	8,972	106,116	10,739
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	217,058	224,750	227,372
<i>National Transit Database</i>	216,138	204,626	227,372
<i>State Controller Report</i>	216,138	239,852	245,762
Passengers			
<i>Monthly Performance Reports</i>	58,230	84,195	86,371
<i>National Transit Database</i>	58,230	76,542	86,371
<i>State Controller Report</i>	58,230	93,105	87,409
Full-Time Equivalent Employees			
<i>State Controller Report</i>	16	32	17



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Chapter 6 | Performance Analysis

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

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

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

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

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

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

Operating Cost

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

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

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



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

Vehicle Service Hours and Miles

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

Passenger Counts

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

Employees

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

Fare Revenue

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

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



TDA Required Indicators

To calculate the TDA indicators for the LTSA, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via National Transit Database reports submitted to the FTA for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the LTSA's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses. However, the significant variance between reports called into question which one accurately reflects the costs for the LTSA's transit services.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via National Transit Database 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 NTD reports submitted to the FTA for each fiscal year covered by this audit. The City calculates VSH by documenting times in and out of service. The LTSA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The LTSA 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 NTD reports submitted to the FTA for each fiscal year covered by this audit. The LTSA'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. LTSA is not currently using the TDA definition of full-time equivalent.

System Performance Trends

[Note: We have elected to use data from the National Transit Database (NTD) reports for the analysis of each mode as well as the system-wide analysis. Given the variances in the data provided by the various reports, some of the data reflected below may be inconsistent with data presented in the monthly performance reports or State Controller Reports.]

Systemwide, Operating Cost increased across each of the past six years, resulting in an overall increase of 56.7 percent across the entire period. The greatest increases (16.6 percent and 23.8 percent) occurred in FY 2020/21 and FY 2021/22, respectively. However, Operating Cost only increased a total of 5.1 percent during the audit period. Fare Revenue experienced a net decrease of 1.9 percent across the six-year period, but a 1.7 percent increase during the audit period.

Vehicle Service Hours (VSH) saw fluctuation over the past six years. In response to the pandemic, VSH decreased 8.1 percent in FY 2019/20 but rebounded with a 16.7 percent increase in FY 2020/21. During the audit period, VSH saw a net increase of 22.4 percent. Vehicle Service Miles (VSM) experienced a similar pattern, decreasing 7.0 percent in FY 2019/20 and increasing 12.1 percent the following year. During the audit period, VSM saw a net increase of 5.2 percent.



Ridership fell in FY 2019/20 and FY 2020/21 before steadily increasing through FY 2023/24. The COVID-19 pandemic resulted in a 15 percent decrease in FY 2019/20, followed by a 29.9 percent decrease in FY 2020/21. Ridership increased a net 48.3 percent during the audit period, ending just 1.7 percent lower than in FY 2018/19. This is a significant rebound from the effects of the COVID-19 pandemic that many transit agencies in California have yet to achieve.

Efficiency and productivity measures are used to evaluate performance. Cost-related metrics are used to assess efficiency, and decreases in Operating Cost per Vehicle Service Hour, Vehicle Service Mile, and Passenger indicate improvement. Passenger-related metrics are used to assess productivity, and increases in Passengers per Vehicle Service Hour and Vehicle Service Mile indicate improvement.

Cost-related metrics varied during the audit period. Operating Cost/VSH saw an increase of 10.8 in FY 2022/23, followed by a 20.8 percent decrease in FY 2023/24. This resulted in a net decrease of 12.2 percent. Operating Cost/Passenger decreased every year of the audit period, resulting in a net 29.1 percent decrease. Operating Cost/VSM increased by 10.5 percent in FY 2022/23 and decreased by 9.6 percent in FY 2023/24, resulting in a net decrease of 0.1 percent. Passenger-related metrics experienced net increases during the audit period. Passengers per VSH increased 23.9 percent, while Passengers per VSM increased 41 percent.



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Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$836,239	\$863,644	\$1,006,995	\$1,246,882	\$1,304,749	\$1,310,660
Annual Change		3.3%	16.6%	23.8%	4.6%	0.5%
Fare Revenue (Actual \$)	\$163,214	\$183,502	\$157,110	\$157,414	\$158,208	\$160,127
Annual Change		12.4%	-14.4%	0.2%	0.5%	1.2%
Vehicle Service Hours (VSH)	8,771	8,062	9,407	8,972	8,470	10,739
Annual Change		-8.1%	16.7%	-4.6%	-5.6%	26.8%
Vehicle Service Miles (VSM)	220,507	205,085	229,820	216,138	204,626	227,372
Annual Change		-7.0%	12.1%	-6.0%	-5.3%	11.1%
Passengers	87,903	74,691	52,356	58,230	76,542	86,371
Annual Change		-15.0%	-29.9%	11.2%	31.4%	12.8%
Employees	18	18	18	16	16	17
Annual Change		0.0%	0.0%	-11.1%	0.0%	6.3%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$95.34	\$107.13	\$107.05	\$138.97	\$154.04	\$122.05
Annual Change		12.4%	-0.1%	29.8%	10.8%	-20.8%
Operating Cost/Passenger (Actual \$)	\$9.51	\$11.56	\$19.23	\$21.41	\$17.05	\$15.17
Annual Change		21.5%	66.3%	11.3%	-20.4%	-11.0%
Passengers/VSH	10.02	9.26	5.57	6.49	9.04	8.04
Annual Change		-7.6%	-39.9%	16.6%	39.2%	-11.0%
Passengers/VSM	0.40	0.36	0.23	0.27	0.37	0.38
Annual Change		-8.6%	-37.4%	18.3%	38.8%	1.6%
Farebox Recovery	19.5%	21.2%	15.6%	12.6%	12.1%	12.2%
Annual Change		8.9%	-26.6%	-19.1%	-4.0%	0.8%
Hours/Employee	487.3	447.9	522.6	560.8	529.4	631.7
Annual Change		-8.1%	16.7%	7.3%	-5.6%	19.3%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.79	\$4.21	\$4.38	\$5.77	\$6.38	\$5.76
Annual Change		11.0%	4.0%	31.7%	10.5%	-9.6%
VSM/VSH	25.14	25.44	24.43	24.09	24.16	21.17
Annual Change		1.2%	-4.0%	-1.4%	0.3%	-12.4%
Fare/Passenger	\$1.86	\$2.46	\$3.00	\$2.70	\$2.07	\$1.85
Annual Change		32.3%	22.1%	-9.9%	-23.5%	-10.3%

Sources: Data for FY 2018/19 – FY 2020/21 taken from prior Triennial Performance Audit.

Data for FY 2021/22 – FY 2023/24 taken from National Transit Database (NTD) Reports.

FTE data for FY 2021/22 – FY 2023/24 taken from State Controller Reports.



Exhibit 6.2 System Ridership

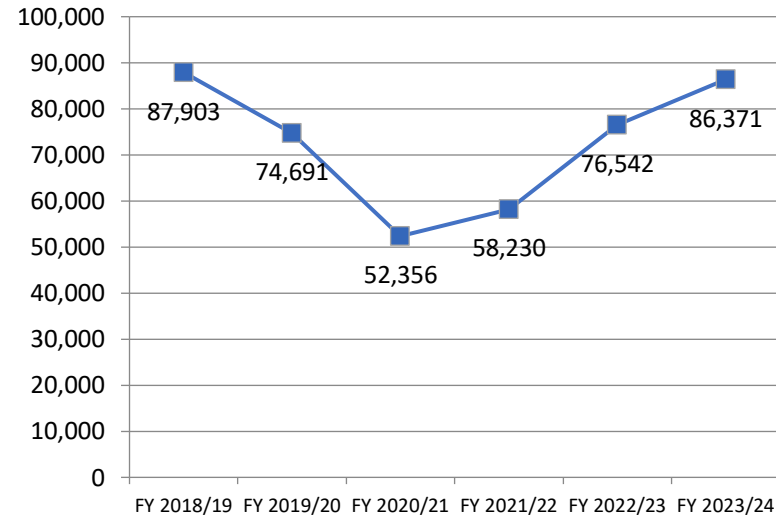


Exhibit 6.3 System Operating Cost/VSH

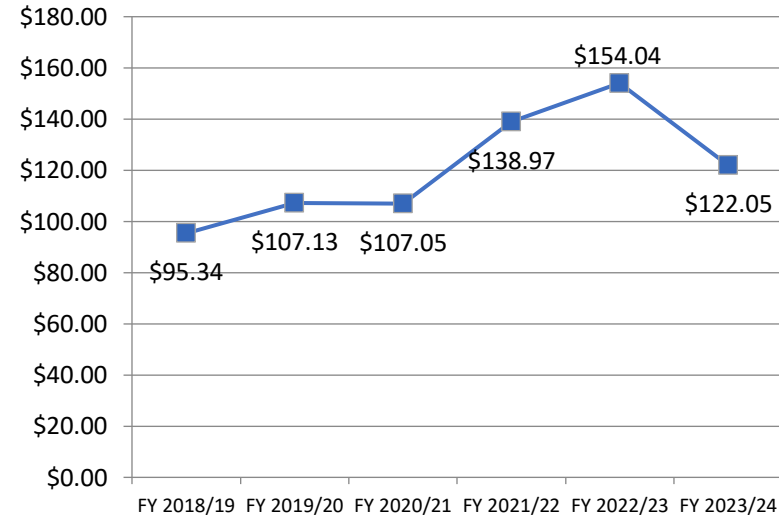


Exhibit 6.4 System Operating Cost/VSM

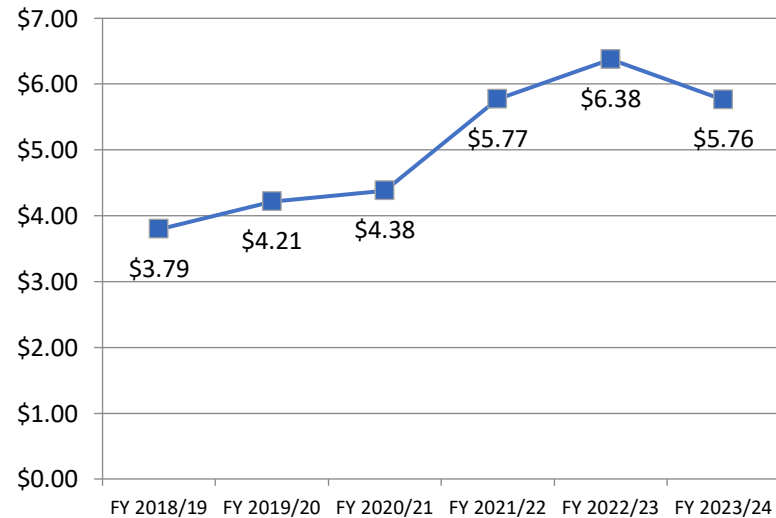


Exhibit 6.5 System VSM/VSH

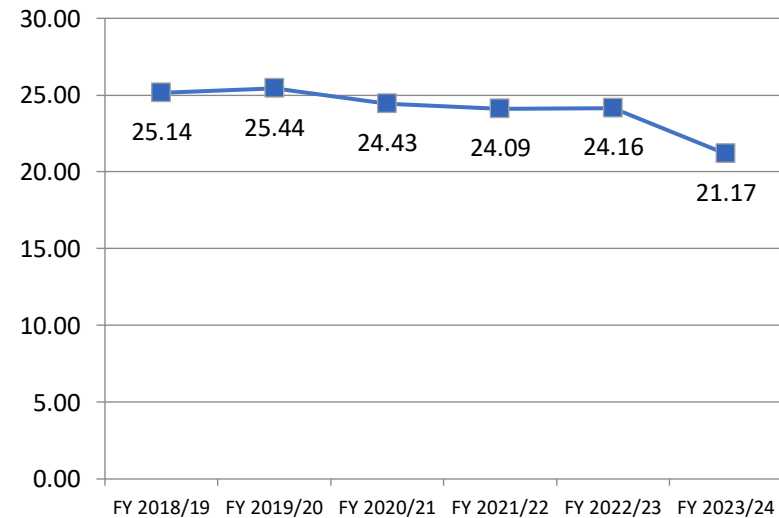




Exhibit 6.6 System Operating Cost/Passenger

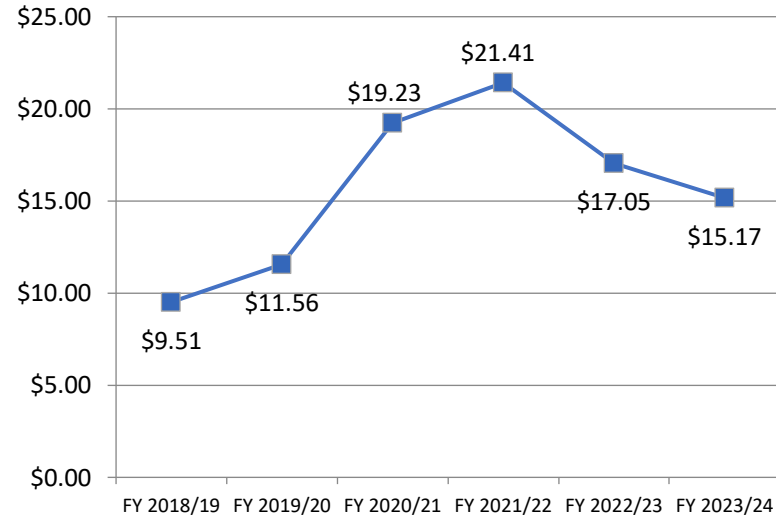


Exhibit 6.7 System Passengers/VSH

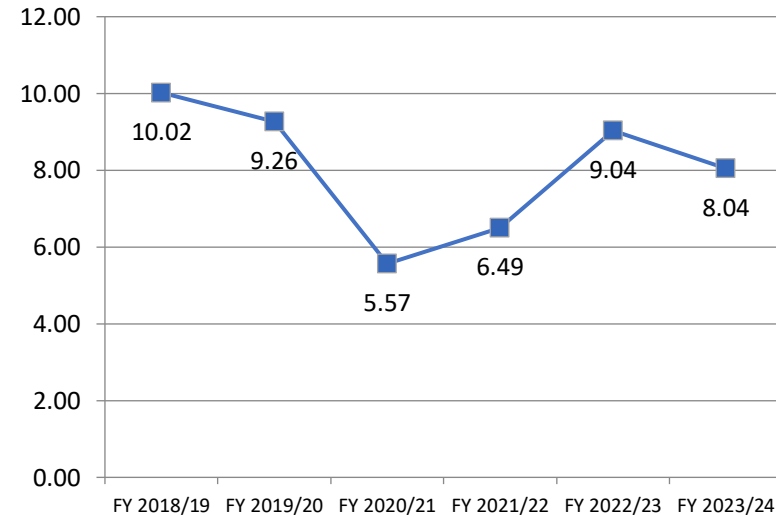


Exhibit 6.8 System Passengers/VSM

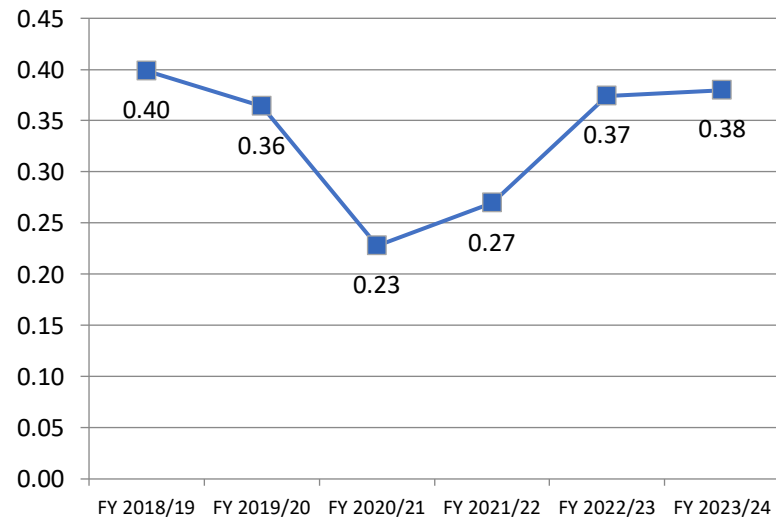


Exhibit 6.9 System VSH/FTE

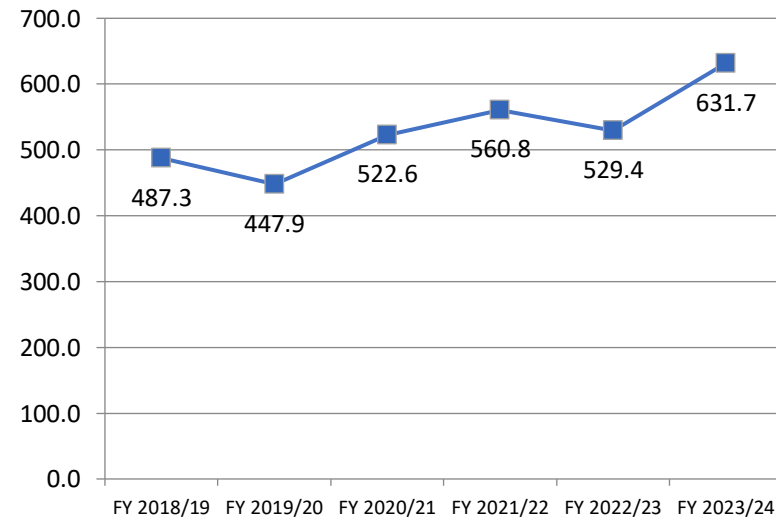




Exhibit 6.10 System Farebox Recovery

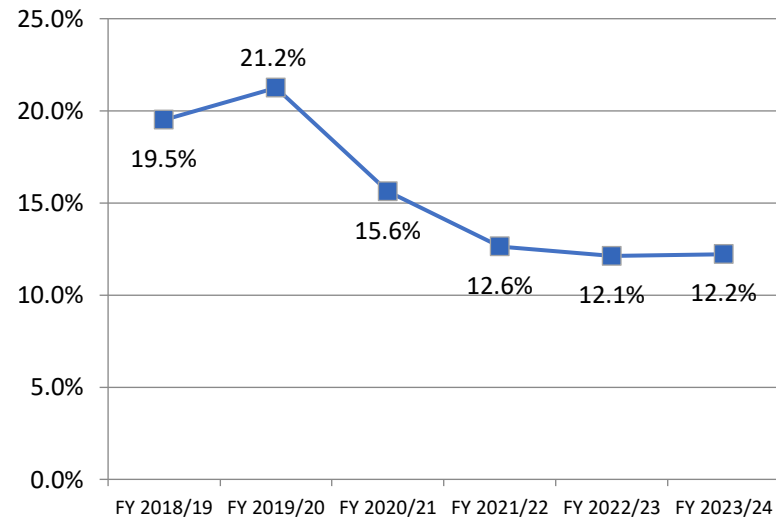
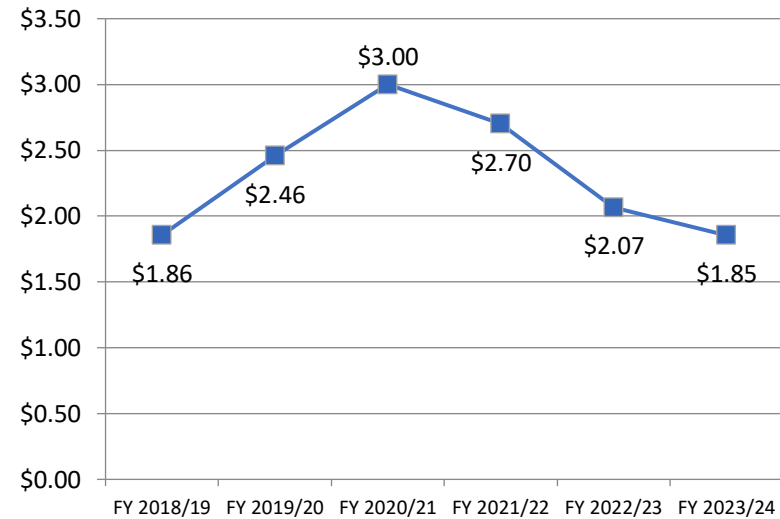


Exhibit 6.11 System Fare/Passenger





Fixed-Route Performance Trends

Fixed-route Operating Cost increased across five of the past six years, resulting in an overall increase of 60.3 percent across the entire period. The greatest increases (20.1 percent and 25 percent) occurred in FY 2020/21 and FY 2021/22, respectively. However, Operating Cost only increased a net total of 2.3 percent during the audit period. Fare Revenue experienced a net decrease of 26.8 percent across the six-year period, but a 0.4 percent increase during the audit period.

Vehicle Service Hours (VSH) saw fluctuation over the past six years. In response to the pandemic, VSH decreased 5.2 percent in FY 2019/20 but rebounded with a 20.6 percent increase in FY 2020/21. During the audit period, VSH saw a net increase of 0.6 percent, due primarily to decreases in VSH during FY 2021/22 and FY 2022/23. Vehicle Service Miles (VSM) experienced decreases of 10.8 percent and 28.3 percent, respectively, in FY 2019/20 and FY 2020/21, followed by increases in each subsequent year. This resulted in a net 2.1 percent increase in VSM during the six-year period and a net 2.3 percent increase during the audit period.

Ridership fell in FY 2019/20 and FY 2020/21 before steadily increasing through FY 2023/24. The COVID-19 pandemic resulted in a 10.8 percent decrease in FY 2019/20, followed by a 28.3 percent decrease in FY 2020/21. Ridership increased a net 37.4 percent during the audit period, ending 3.9 percent lower than in FY 2018/19.

Cost-related metrics varied during the audit period. Operating Cost/VSH saw an increase of 12.6 in FY 2022/23, followed by a 9.7 percent decrease in FY 2023/24. This resulted in a net increase of 1.7 percent. Operating Cost/Passenger decreased every year of the audit period, resulting in a net 25.6 percent decrease. Operating Cost/VSM increased by 11.3 percent in FY 2022/23 and decreased by 10.1 percent in FY 2023/24, resulting in no net change overall. Passenger-related metrics experienced net increases during the audit period. Passengers per VSH increased 36.6 percent, while Passengers per VSM increased 34.4 percent.



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Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$708,142	\$738,751	\$887,601	\$1,109,332	\$1,153,181	\$1,134,858
Annual Change		4.3%	20.1%	25.0%	4.0%	-1.6%
Fare Revenue (Actual \$)	\$106,937	\$108,529	\$86,715	\$78,012	\$78,187	\$78,323
Annual Change		1.5%	-20.1%	-10.0%	0.2%	0.2%
Vehicle Service Hours (VSH)	7,606	7,209	8,697	8,359	7,720	8,409
Annual Change		-5.2%	20.6%	-3.9%	-7.6%	8.9%
Vehicle Service Miles (VSM)	204,610	193,579	219,045	204,361	190,890	208,982
Annual Change		-5.4%	13.2%	-6.7%	-6.6%	9.5%
Passengers	66,112	58,940	42,243	46,249	56,775	63,559
Annual Change		-10.8%	-28.3%	9.5%	22.8%	11.9%
Employees	16	16	16	14	14	15
Annual Change		0.0%	0.0%	-12.5%	0.0%	7.1%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$93.10	\$102.48	\$102.06	\$132.71	\$149.38	\$134.96
Annual Change		10.1%	-0.4%	30.0%	12.6%	-9.7%
Operating Cost/Passenger (Actual \$)	\$10.71	\$12.53	\$21.01	\$23.99	\$20.31	\$17.86
Annual Change		17.0%	67.6%	14.2%	-15.3%	-12.1%
Passengers/VSH	8.69	8.18	4.86	5.53	7.35	7.56
Annual Change		-5.9%	-40.6%	13.9%	32.9%	2.8%
Passengers/VSM	0.32	0.30	0.19	0.23	0.30	0.30
Annual Change		-5.8%	-36.7%	17.3%	31.4%	2.3%
Farebox Recovery	15.10%	14.69%	9.77%	7.03%	6.78%	6.90%
Annual Change		-2.7%	-33.5%	-28.0%	-3.6%	1.8%
Hours/Employee	475.4	450.6	543.6	597.1	551.4	560.6
Annual Change		-5.2%	20.6%	9.8%	-7.6%	1.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.46	\$3.82	\$4.05	\$5.43	\$6.04	\$5.43
Annual Change		10.3%	6.2%	34.0%	11.3%	-10.1%
VSM/VSH	26.90	26.85	25.19	24.45	24.73	24.85
Annual Change		-0.2%	-6.2%	-2.9%	1.1%	0.5%
Fare/Passenger	\$1.62	\$1.84	\$2.05	\$1.69	\$1.38	\$1.23
Annual Change		13.8%	11.5%	-17.8%	-18.4%	-10.5%

Sources: Data for FY 2018/19 – FY 2020/21 taken from prior Triennial Performance Audit.
Data for FY 2021/22 – FY 2023/24 taken from National Transit Database (NTD) Reports.
FTE data for FY 2021/22 – FY 2023/24 taken from State Controller Reports.



Exhibit 6.13 Fixed-Route Ridership

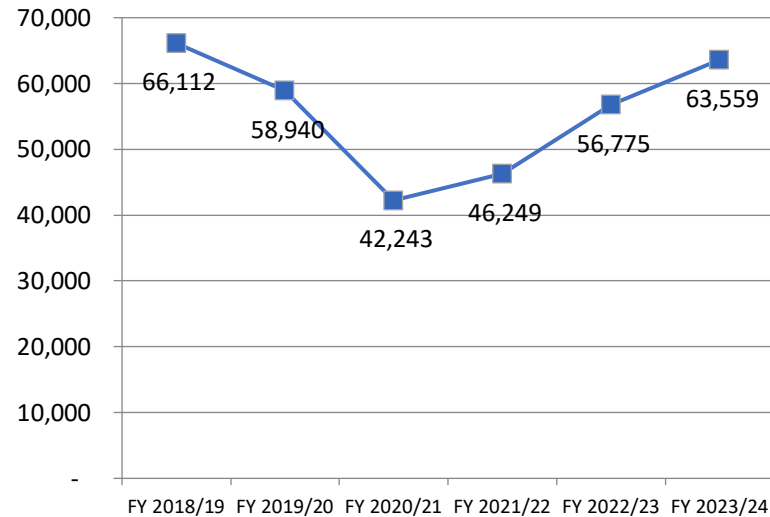


Exhibit 6.14 Fixed-Route Operating Cost/VSH

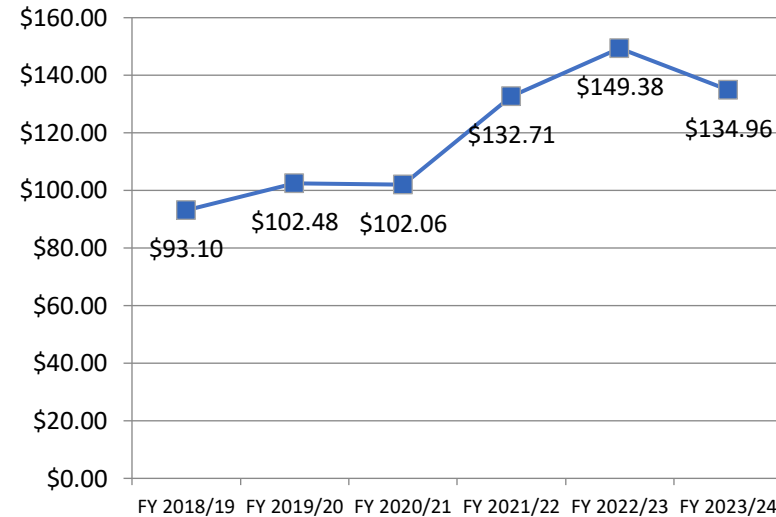


Exhibit 6.15 Fixed-Route Operating Cost/VSM

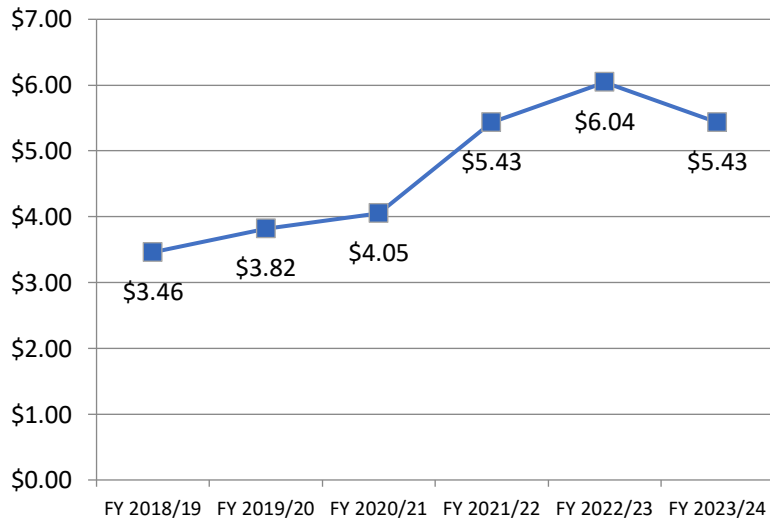


Exhibit 6.16 Fixed-Route VSM/VSH

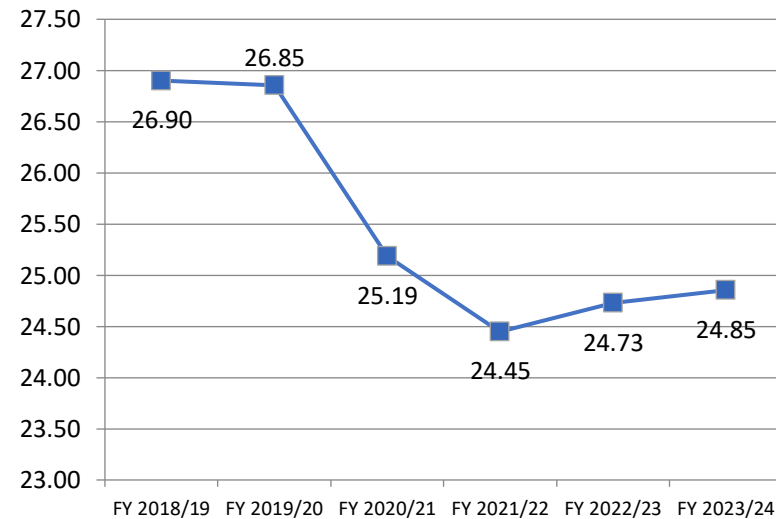




Exhibit 6.17 Fixed-Route Operating Cost/Passenger

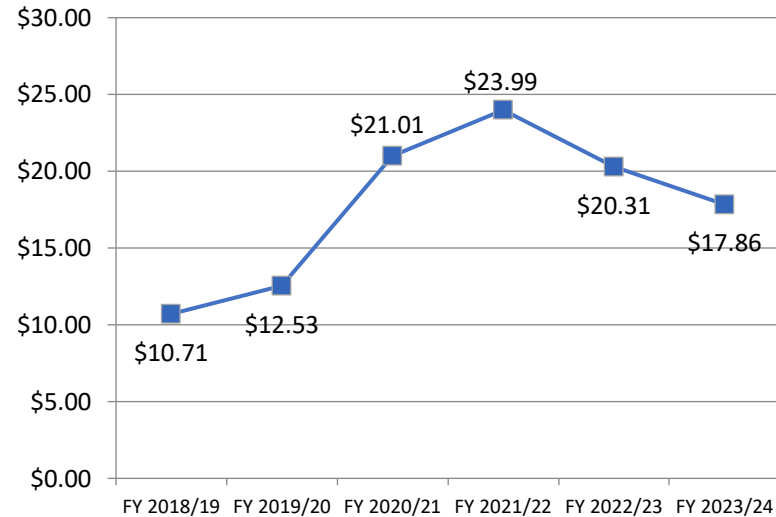


Exhibit 6.18 Fixed-Route Passengers/VSH

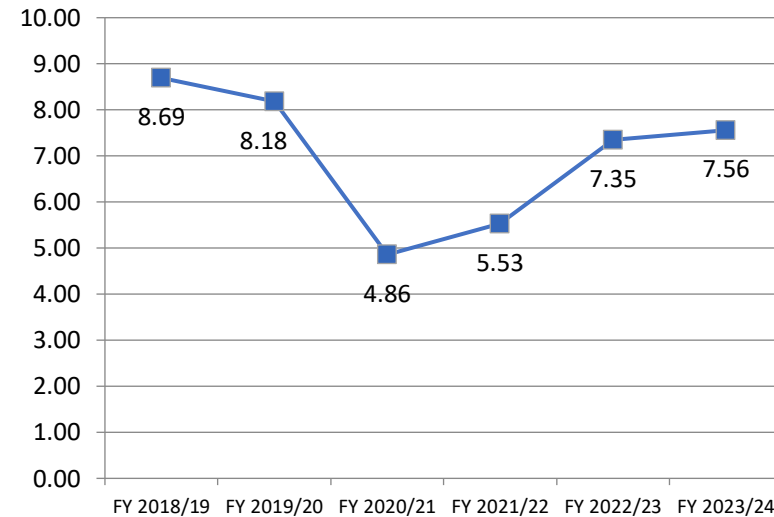


Exhibit 6.19 Fixed-Route Passengers/VSM

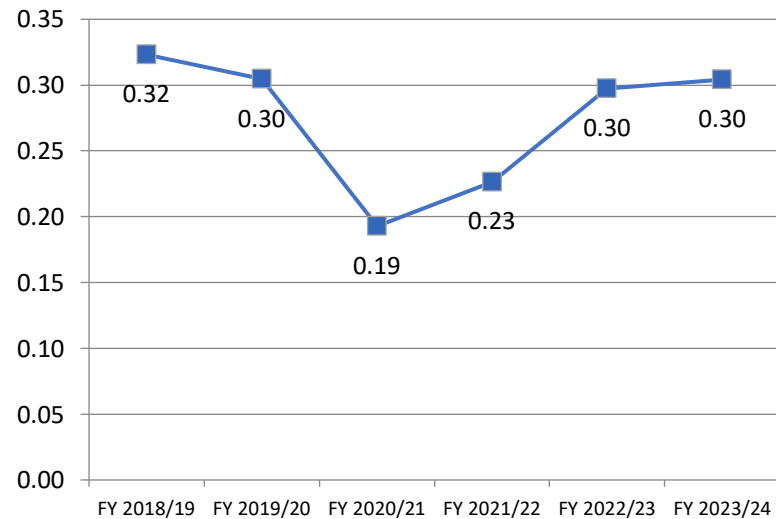


Exhibit 6.20 Fixed-Route VSH/FTE

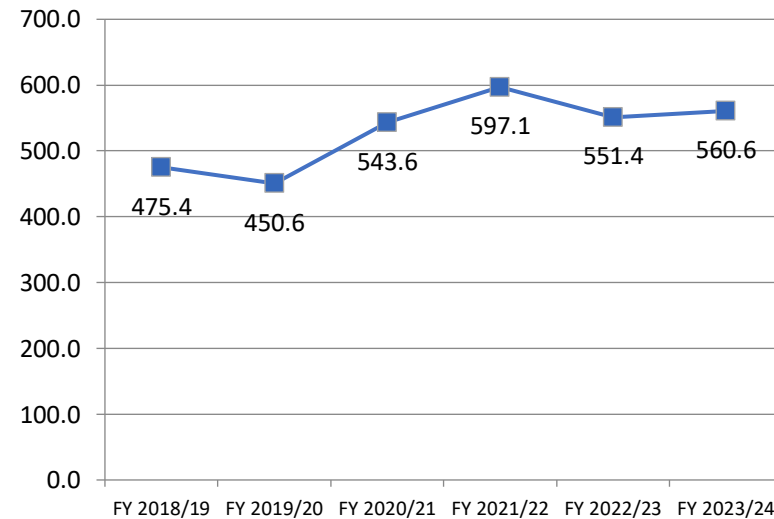




Exhibit 6.21 Fixed-Route Farebox Recovery

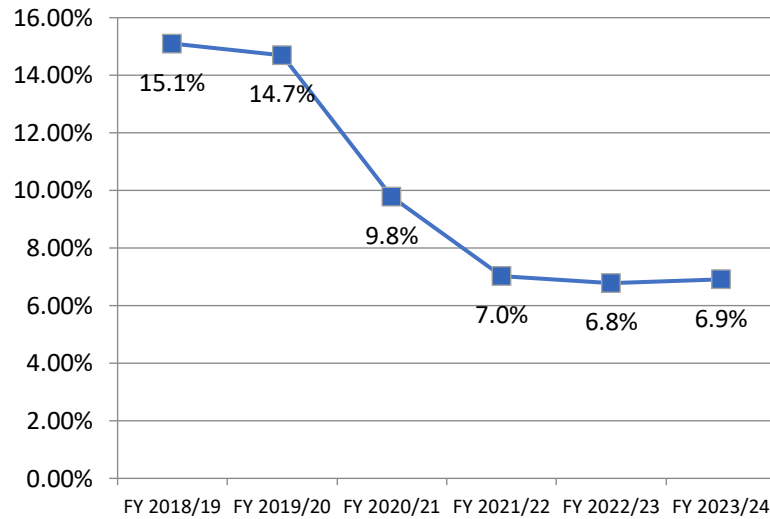
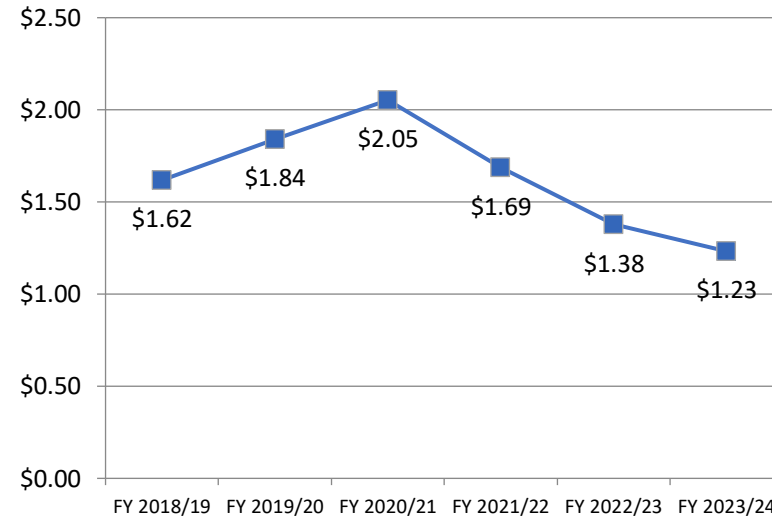


Exhibit 6.22 Fixed-Route Fare/Passenger





Demand-Response Performance Trends

Demand-response Operating Cost decreased during the prior audit period and increased during the current audit period, resulting in a net increase of 37.2 percent across the six-year period and a net increase of 27.8 percent during the audit period. Fare Revenue experienced a net increase of 45.4 percent across the six-year period, but a 3.0 percent increase during the audit period.

Vehicle Service Hours (VSH) saw fluctuation over the past six years. VSH decreased between FY 2019/20 and FY 2021/22. It increased by 22.3 percent in FY 2022/23, and experienced a significant (210.7 percent) increase in FY 2023/24. The cause of that increase is unclear, and it is also unclear whether this data is accurate (906 Vehicle Service Hours was reported in the monthly performance reports for that year, which would be a 20.8 percent increase over the prior year). Vehicle Service Miles (VSM) experienced a similar pattern, though it only decreased for two years. This resulted in a 15.7 percent increase during the six-year period and a 56.2 percent increase during the audit period. VSM did not exhibit the same level of increase during FY 2023/24 as observed in VSH.

Ridership fell in FY 2019/20 and FY 2020/21 before steadily increasing through FY 2023/24. The COVID-19 pandemic resulted in a 27.7 percent decrease in FY 2019/20, followed by a 35.8 percent decrease in FY 2020/21. Ridership increased a net 90.4 percent during the audit period, ending 4.7 percent higher than in FY 2018/19.

Cost-related metrics varied during the audit period. Operating Cost/VSH saw a decrease of 66.4 percent during the audit period, due largely to the significant increase in VSH in FY 2023/24. Operating Cost/Passenger experienced a net 32.9 percent decrease during the audit period. Operating Cost/VSM decreased by 18.2 percent during the audit period. Passenger-related metrics were mixed. Passengers per VSH decreased by 49.9 percent, again due to the significant increase in VSH reported in FY 2023/24, while Passengers per VSM increased 21.9 percent.



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Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$128,097	\$124,893	\$119,394	\$137,550	\$151,568	\$175,802
Annual Change		-2.5%	-4.4%	15.2%	10.2%	16.0%
Fare Revenue (Actual \$)	\$56,277	\$74,973	\$70,395	\$79,402	\$80,021	\$81,804
Annual Change		33.2%	-6.1%	12.8%	0.8%	2.2%
Vehicle Service Hours (VSH)	1,165	853	710	613	750	2,330
Annual Change		-26.8%	-16.8%	-13.7%	22.3%	210.7%
Vehicle Service Miles (VSM)	15,897	11,506	10,775	11,777	13,736	18,390
Annual Change		-27.6%	-6.4%	9.3%	16.6%	33.9%
Passengers	21,791	15,751	10,113	11,981	19,767	22,812
Annual Change		-27.7%	-35.8%	18.5%	65.0%	15.4%
Employees	2	2	2	2	2	2
Annual Change		0.0%	0.0%	0.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$109.95	\$146.42	\$168.16	\$224.39	\$202.09	\$75.45
Annual Change		33.2%	14.9%	33.4%	-9.9%	-62.7%
Operating Cost/Passenger (Actual \$)	\$5.88	\$7.93	\$11.81	\$11.48	\$7.67	\$7.71
Annual Change		34.9%	48.9%	-2.8%	-33.2%	0.5%
Passengers/VSH	18.70	18.47	14.24	19.54	26.36	9.79
Annual Change		-1.3%	-22.9%	37.2%	34.8%	-62.9%
Passengers/VSM	1.37	1.37	0.94	1.02	1.44	1.24
Annual Change		-0.1%	-31.4%	8.4%	41.5%	-13.8%
Farebox Recovery	43.9%	60.0%	59.0%	57.7%	52.8%	46.5%
Annual Change		36.6%	-1.8%	-2.1%	-8.5%	-11.9%
Hours/Employee	582.5	426.5	355.0	306.5	375.0	1165.0
Annual Change		-26.8%	-16.8%	-13.7%	22.3%	210.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$8.06	\$10.85	\$11.08	\$11.68	\$11.03	\$9.56
Annual Change		34.7%	2.1%	5.4%	-5.5%	-13.4%
VSM/VSH	13.65	13.49	15.18	19.21	18.31	7.89
Annual Change		-1.1%	12.5%	26.6%	-4.7%	-56.9%
Fare/Passenger	\$2.58	\$4.76	\$6.96	\$6.63	\$4.05	\$3.59
Annual Change		84.3%	46.2%	-4.8%	-38.9%	-11.4%

Sources: Data for FY 2018/19 – FY 2020/21 taken from prior Triennial Performance Audit.

Data for FY 2021/22 – FY 2023/24 taken from National Transit Database (NTD) Reports.

FTE data for FY 2021/22 – FY 2023/24 taken from State Controller Reports.



Exhibit 6.24 Demand-Response Ridership

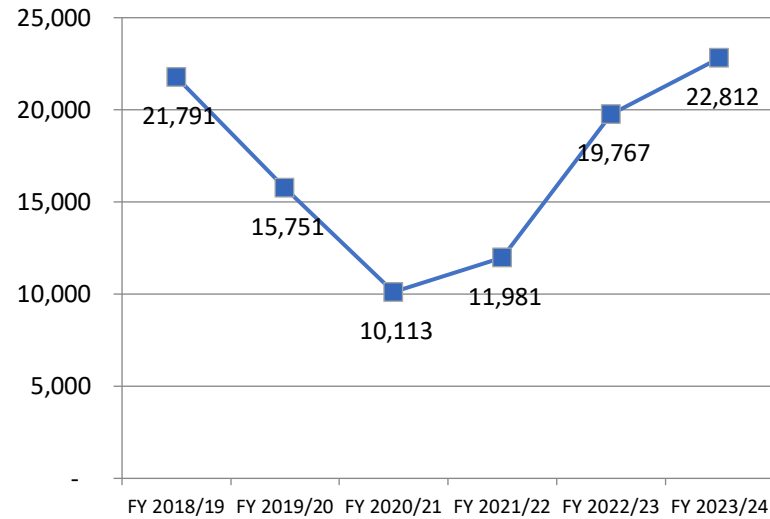


Exhibit 6.25 Demand-Response Operating Cost/VSH

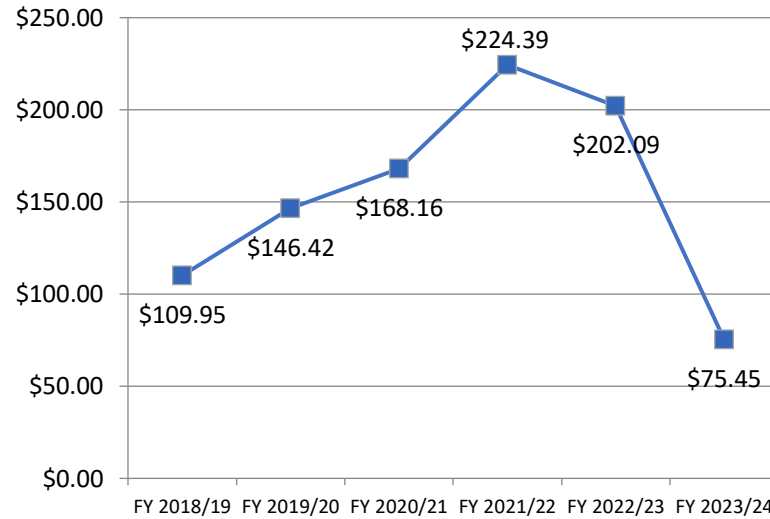


Exhibit 6.26 Demand-Response Operating Cost/VSM

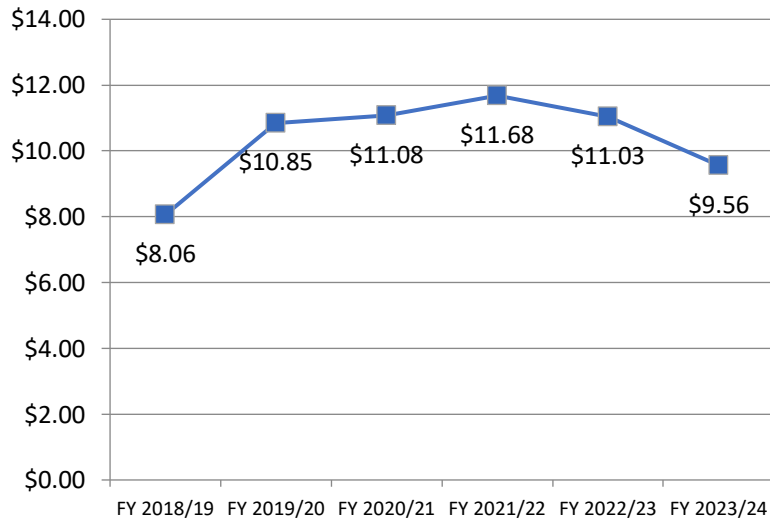


Exhibit 6.27 Demand-Response VSM/VSH

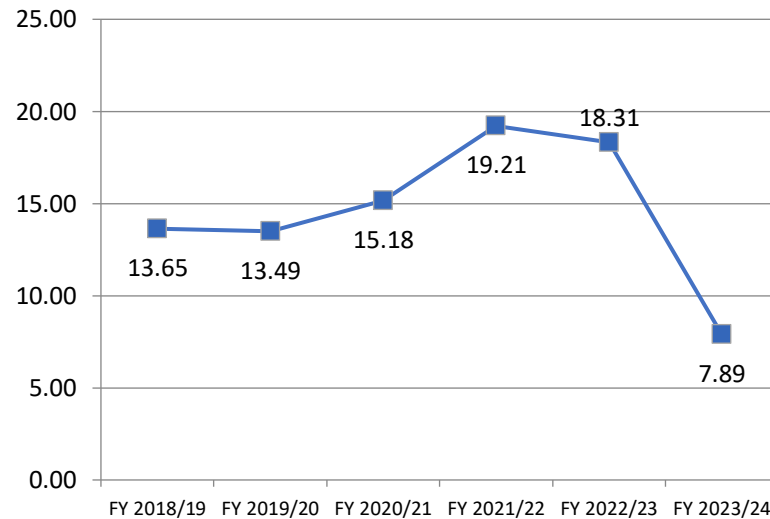




Exhibit 6.28 Demand-Response Operating Cost/Passenger

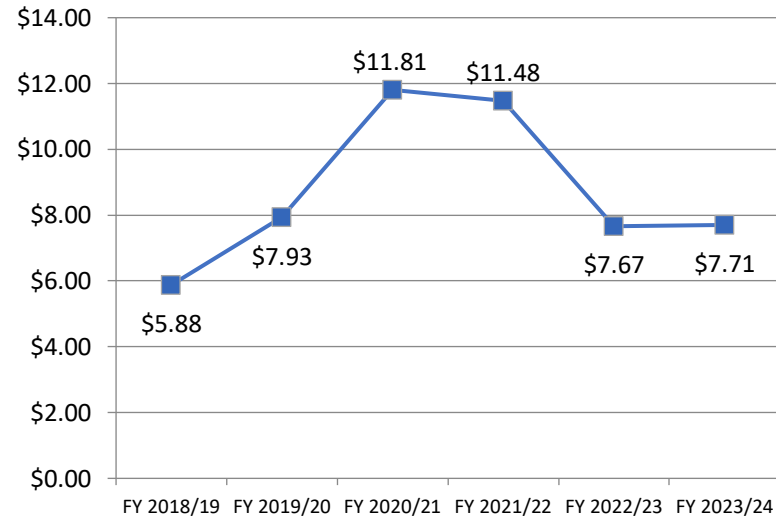


Exhibit 6.29 Demand-Response Passengers/VSH

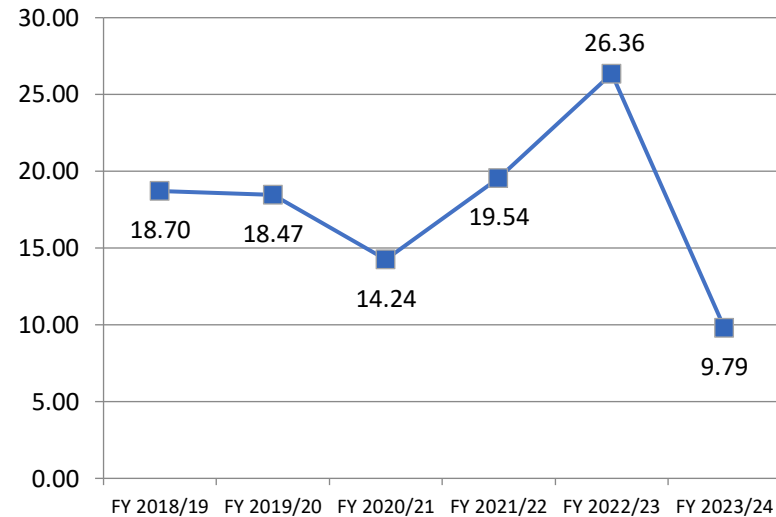


Exhibit 6.30 Demand-Response Passengers/VSM

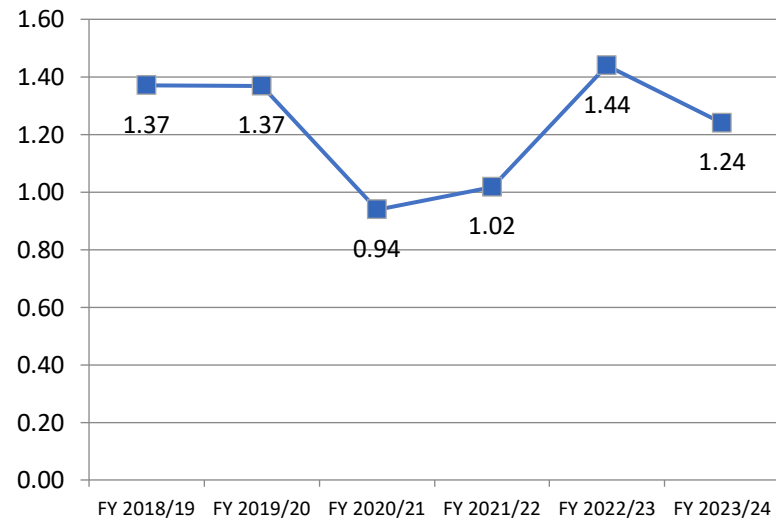


Exhibit 6.31 Demand-Response VSH/FTE

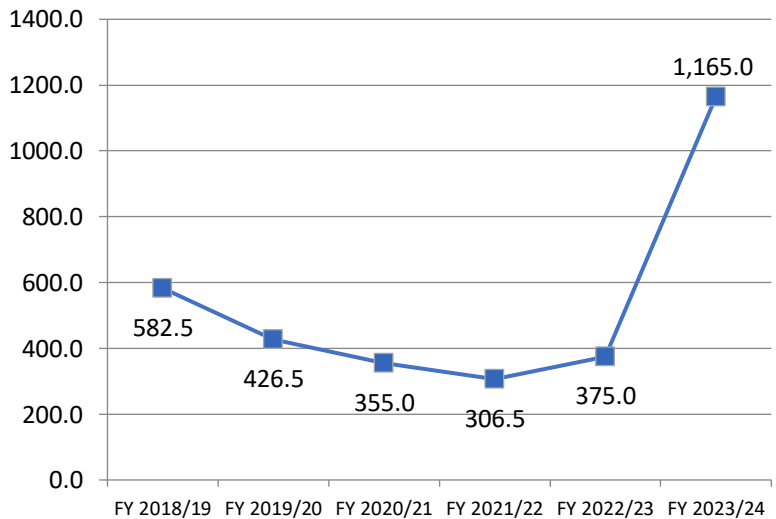




Exhibit 6.32 Demand-Response Farebox Recovery

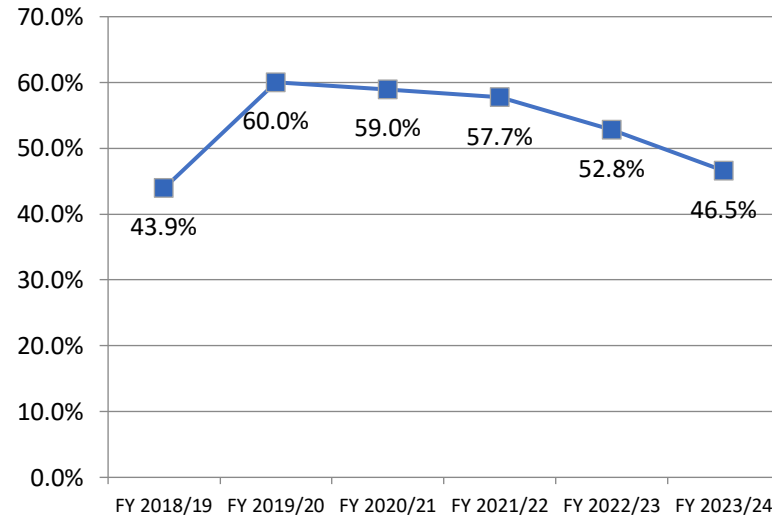
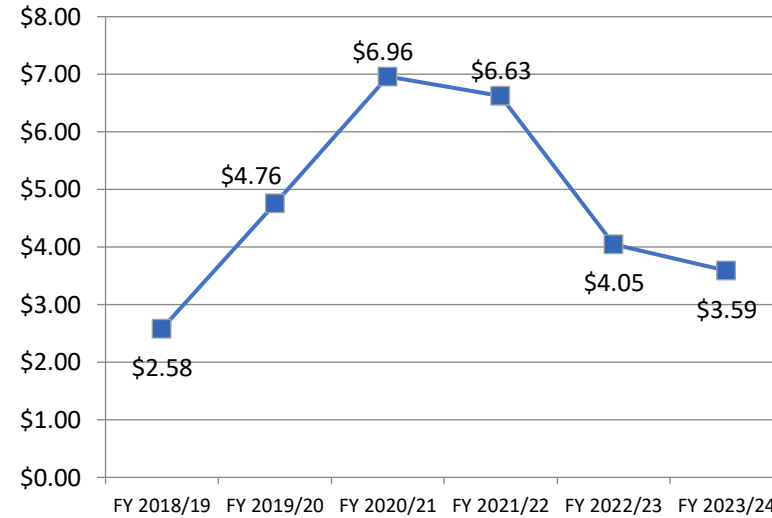


Exhibit 6.33 Demand-Response Fare/Passenger





Chapter 7 | Functional Review

A functional review of the LTSA's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the LTSA'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 Lassen Transit Service Agency:

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

Service Overview

The Lassen Transit Service Agency oversees the operation of the Lassen Rural Bus (LRB) transit service. Lassen Rural Bus provides fixed-route and on-demand response services within the City of Susanville. Deviated fixed-route service is offered up to three-quarters of a mile off the regular route. Commuter service is provided to the communities of Westwood, Chester, and Herlong/Doyle. Additional commuter service is provided into Susanville from Herlong, traveling through Standish and Litchfield. Fares are dependent on routes and zones.

Exhibit 7.1 Lassen Rural Bus Routes

Route	Service Area	Service Span
Susanville City Route (fixed route)	City of Susanville	Monday – Friday, 7 am – 6:52 pm Saturday, 8 am – 3:52 pm
Susanville City “Express” Route (fixed route)	City of Susanville (runs opposite Susanville City Route)	Monday – Friday, 10:37 am – 4 pm
West County Route (deviated fixed route)	Susanville, Westwood, Lake Almanor, Chester	Monday – Friday, 3 times/day Saturday, 2 times/day
South County Route (deviated fixed route)	Herlong, Janesville, Standish, Litchfield, Leavitt Lake, Johnstonville, Susanville	Monday – Friday, 2 times/day
South County Commuter Route (fixed route)	Susanville, Janesville, Milford, SIAD, Herlong	Monday – Friday, 2 times/day
Eagle Lake Route (demand-response route)	West side of Eagle Lake to Susanville	Saturday, one round trip/day between Memorial Day and September

Exhibit 7.2 Susanville Routes Fare Structure

Fare category	General	Reduced
One-way fare	\$1.00	\$0.50
Daily Pass	\$3.00	\$1.50
Monthly Pass	\$40.00	\$20.00



Exhibit 7.3 Zonal Fare Structure (Outside Susanville)

Fare Category	General	Reduced
Travel within 1 Zone	\$1.00	\$0.50
Travel between 2 Zones	\$2.00	\$1.00
Travel between 3 Zones	\$3.00	\$1.50
Travel between 4 zones	\$4.00	\$2.00
Travel between 5 zones	\$5.00	\$2.50
Daily (systemwide)	\$5.00	-
Daily with base access (systemwide)	\$5.50	-

LRB also provides Dial-A-Ride service for persons age 60 and older, Medicare cardholders, and ADA-certified individuals. It is a door-to-door, origin to destination transportation service. The Dial-A-Ride service operates Monday through Friday between 7:00 a.m. and 6:52 p.m. and on Saturday between 8:00 a.m. and 3:52 p.m. within Susanville city limits. Only persons certified by LTSA as meeting the requirements are eligible to use the Dial-A-Ride service. Reservations for the Dial-A-Ride service may be made up to 14 days in advance.

Exhibit 7.4 Dial-A-Ride Fare Structure

Fare category	Seniors (60+), persons with disabilities, & Medicare Cardholders	Companion	Personal Care Attendant/Caregiver
One-way fare	\$1.75	\$1.75	Free

All routes have monthly and daily passes available for purchase at the LRB Office (701-980 Johnstonville Road, Susanville), designated outlets, or on the bus. Reduced fares are available for K-12 students, seniors aged 60 and over, children under six, and persons with disabilities. All registered Lassen Community College students receive free LRB service with their student ID. Kool Kid Passes are available for children ages six to 17 and are valid from Memorial day through Labor Day.

General Management and Organization

The operation and maintenance of Lassen Rural Bus is contracted to Paratransit Services through FY 2025/26 with two two-year renewal options. LTSA management uses various spreadsheets to track performance indicators and ensure the transit program is running efficiently. Transit management regularly receives performance information and takes appropriate action to address problems or issues faced by the contractor. LTSA tracks performance using the ETA Spot platform. However, with LRB services often operating in remote areas, discrepancies in on-time performance data arise since data cannot be transmitted in all areas. LTSA is looking into possible solutions, such as installing wi-fi or satellite internet onboard its vehicles. LTSA would need to secure grant funding for this improvement.

Transit staff believe the program is structured and staffed appropriately. During the audit period, one Transportation Planner left and a new Transportation Planner and Assistant Director were added to the staff. There were no service changes during the audit period.



The Lassen Transit Service Agency is the governing body for Lassen Rural Bus. The LTSA Board consists of three Councilmembers from the City of Susanville and three County Supervisors from the County of Lassen. It meets approximately six times per year on the second Monday of the month. In-person meetings are held at the City of Susanville Council Chambers (66 North Lassen Street) with a remote option via Zoom. During the audit period, the Board expressed interest in providing services to a local non-profit, Hope Wheels, to travel to a Reno Aces baseball game. Staff is currently exploring the potential for this service by coordinating with both the non-profit and the transit provider in Reno.

Exhibit 7.5 Organizational Chart



The LTSA has a good working relationship with the LCTC and the other transit operators, providing support for Big Valley 50+ and Modoc County transit services. Additionally, LTSA has a Memorandum of Understanding with Plumas County for an inter-city route between Lassen and Plumas County. Caltrans attends LTSA meetings and provides assistance when requested. The Assistant Director and the Transportation Planner act as an intergovernmental liaisons. The LTSA is a member of CalACT.

Service Planning

The RTPA, Lassen County Transportation Commission (LCTC), is responsible for short-range planning. The most recent Transit Development Plan (TDP), completed in 2021, included program goals and objectives, which conform to the RTPA's goals and objectives. The TDP has a planning horizon that spans 2021 through 2026. One recommendation the LTSA is in the process of implementing is a non-emergency medical transportation (NEMT) service to Reno. The NEMT service is anticipated to be implemented in 2025 upon receipt of a new van through a 5339 grant.

The LTSA conducts outreach through participation in interactive information boards at Farmers Markets and surveys. The most recent survey was conducted prior to the launch of the PINGO app. Through this outreach and the semi-annual Unmet Needs SSTAC meetings, feedback is collected and assessed for implementation. Special fixed-route fares are offered to youth, seniors, Medicare card holders, and persons with disabilities. All vehicles are wheelchair-accessible.



During the audit period, LTSA's primary capital project has been the installation of bus shelters (2022). The LTSA has a Zero-Emission Bus Rollout Plan in place and has been unsuccessfully applying for grants to upgrade the bus facility to mitigate hazards and accommodate electric charging infrastructure. If the funding comes through, the LTSA plan to purchase its first zero emission vehicle in 2031 unless it is able to get a waiver from the requirement due to the rural nature of the environment.

Administration

The Transportation Planner handles the budget each year. They analyze the prior fiscal year and project revenues and operating and capital expenses for the next fiscal year. A list of projects is detailed in the budget preparation worksheet to determine the total revenue required for the upcoming year. The budget is presented and approved by the Board.

The Transportation Planner compares budgeted expectations for the transit program with actual revenue and expenses regularly. Budget amendments are taken to the LTSA and LCTC Board for approval once a year, or as necessary. LTSA uses Munis Tyler and Cost Accounting Management System (CAMS) software. Financials are reported to the governing body semi-annually. The LTSA mirrors its fiscal policies and procedures after Lassen County's.

Grant application and compliance responsibilities are clearly defined within the LTSA. Decisions to apply for grants are based on the planning process and the availability of specific grants. FTA Section 5339 and Section 5311 grants are the most useful. Additionally, LTSA has applied for a Caltrans Sustainable Planning grant to create a collaborative GIS network across several agencies in the Susanville area. The LTSA is typically able to apply for all of the grants it is interested in. The Transportation Planner is responsible for managing grants.

Risk management is handled by the County's Personnel Department. Procedures for processing accident and injury claims are well defined. LTSA is part of the Trindel Insurance Fund and Public Risk Innovation, Solutions, and Management (PRISM) self-insurance pool. The Personnel/Risk Analyst Safety Officer is responsible for periodically reviewing its safety policies and practices. The Trindel Insurance Fund audits its safety program annually. LTSA is part of the County's emergency response plan; Transit's role within that plan is the provision of emergency transportation when needed.

LTSA manages its operations contract with Paratransit Services. Contracts have a limited and defined term, clearly specified scope of work, and explicit price for goods or services. Contracts are managed through a contract tracking sheet, and staff monitor performance through regular sampling of specific activities (primarily on-time performance and farebox recovery ratio). Lassen County provides facility maintenance for the transit offices and the operations contractor for the bus facility and the bus stops.

The Executive Director or Assistant Executive Director approves the timesheets of the Transportation Planner. All employees utilize direct deposit.

The Account Auditor is responsible for accounts receivable and accounts payable. Invoice terms, quantities, and prices are verified against purchase orders, and receipt of goods or services is verified before invoices are paid.



LTSA's Procurement Policy is in compliance with FTA requirements, including FTA standard terms and conditions. All purchasing and procurement policies and procedures are well defined and appropriate. Purchases above \$25,000 must be approved by the LTSA Board. Purchases under \$25,000 may be approved by the Executive Director or pre-approved by the Board. When appropriate, LTSA competitively procures items of major expense (such as vehicles through the CalACT bid).

LTSA went out to bid on its transit operations contract prior to the audit period and chose Paratransit Services to continue operation of its transit services. The new contract with Paratransit Services began on July 1, 2021 and extends through FY 2025/26, with two two-year optional extensions.

Marketing and Public Information

Marketing efforts for Lassen Rural Bus (LRB) are focused on engaging the community and effectively promoting its services. Its primary service information piece is a rider guide, which is available onboard the vehicles, at route hotspots, distributed at community events, and on the website. Other marketing activities include radio and movie theater advertisements. Participation in community events is most successful in providing educational and informational opportunities, fostering a deeper connection with passengers and addressing their needs proactively. LRB has gained more Dial-A-Ride customers from these events.

LRB uses social media to promote transit, including Facebook. It uses a mobile apps, ETA Spot, which provide automatic vehicle location and estimated time of arrival. It does not have a marketing plan, though specific marketing activities are included in the annual budget.

The LRB does not log all customer calls, but records unmet transit needs, complaints and compliments, concerns, and accident/incident claims. A description of the complaint or concern and contact information for the complainant are logged, in addition to LRB's follow-up response. Concerns are addressed within 24 hours. The public perception of the program is positive.

Scheduling, Dispatch, and Operations

The Lassen Rural Bus service is operated by Paratransit Services. The workforce is not represented. The transit program is currently fully staffed. The transit program also employs four part-time drivers to fill in for vacations and call outs. Some part-time workers prefer a part-time schedule, but full-time positions are always offered to part-time drivers before being posted to the public.

All staff, not only operators, are licensed to drive the transit vehicles. Full-time drivers are assigned their routes and are not formally rotated through routes. Routes that require access to the military base are driven by drivers with DOD clearance.

Specific vehicles are assigned to specific routes, with the newest vehicles being assigned to the most senior drivers when possible. A vehicle availability/route scheduling board is used to communicate which vehicles are available.

Fares are collected onboard the buses using Diamond manual fareboxes. At the end of the day, the driver drops the money from the farebox into the vault before removing the vault from the vehicle and securing it in the vault locker in the vault room. The money is counted twice by two personnel in a room equipped



with cameras. Only the lead dispatcher and General Manager have access to the safe in the vault room. Fare amounts are compared to the manifest. Fares are transported to the bank every Friday and recounted daily to verify the deposit amount.

Non-cash fares can be purchased onboard the bus, with cash payment deposited in the farebox. LRB does not offer mobile ticketing.

Personnel Management and Training

Paratransit Services is recruiting a sufficient number of drivers to meet the program's needs. At the time of the site visit, several recruits were in training. Recruits are not required to have a commercial license. Comprehensive training is provided by the contractor. Jobs are posted on social media, signage in the community, and through word of mouth. Full-time and part-time driver opportunities are open and active. Employee referral bonuses and retention bonuses are offered.

Management motivates employees through pride in the job and acknowledgment of the impactful differences each driver makes in their community. Paratransit Services offers safety incentives through its Target Zero safety initiative. Employees receive job performance evaluations quarterly and when needed to respond to an issue that may require remedial training. Employee turnover is relatively low, with most departures due to moving out of the area.

The Operations Supervisor is the designated trainer, responsible for training new and existing drivers. They are certified as a trainer by the Transportation Safety Institute (TSI) and National Safety Council (NSC) and are CPR certified through the American Heart Association. Additionally, four drivers make an extra \$1.00 per hour while conducting training.

All drivers are trained prior to starting in service and retrained as needed. Safety practices and procedures are clearly defined, as well as all vehicles are appropriately equipped with safety equipment.

Paratransit Services has a progressive discipline policy defined in its employee handbook. The employee handbook includes a clear policy regarding absences and tardiness. Paratransit Services' drug and alcohol policy is compliant with state and federal requirements.

Full-time employees are offered insurance, paid holidays, and an employee assistance program (EAP). Part-time employees are eligible for the EAP and typically receive four hours of paid vacation time during the holidays. Benefits are communicated through the employee handbook and periodic reminders with their paystubs and memos in the breakroom.

Maintenance

Paratransit Services provides maintenance for the LRB transit fleet. Preventive maintenance is conducted every 5,000 miles or 45 days, whichever is sooner. This schedule conforms with or exceeds the manufacturer's recommended schedule. Compliance with the preventive maintenance schedule can be easily verified. Paratransit Services uses the Fleet Soft platform to manage fleet maintenance.

Vehicles are inspected each day prior to pull-out. If safety concerns are found, the vehicle is not put into service but is scheduled for repair. A vehicle availability board is reviewed and maintained daily.



Maintenance does not typically conflict with regular vehicle use; some activities are conducted on Sunday. Warranty work and tire mounting are sent out.

The transit maintenance facility is owned by the LTSA. The number of bays and lifts are sufficient for the necessary work. The facility is adding a dispatch area to provide more facility security and safety. While the space is sufficient, an addition of a tire machine and wheel balancer would be beneficial. The facility will also need to be retrofitted to accommodate the electric vehicles in the future.

The most challenging element of maintaining the transit fleet is the aging vehicles, with respect to both the amount of maintenance needed and getting parts and supplies.

Vehicles are equipped with ETA Spot ITS system, GPS tracking, and security cameras. However, there have been issues with the camera system. The system was supposed to include an automatic download of video footage when the bus returns to the yard, as well as email notifications when the driver hits the panic button, but these features do not work. It is time-consuming to go out to each vehicle, pull the hard drives, analyze the footage, and reinstall the hard drives. LTSA hopes that if it is able to install satellite internet on the vehicles and improve internet connectivity at the transit maintenance facility, that will resolve the problem.

Maintenance is short-staffed but the contractor had hired new maintenance staff at the time of the site visit. The back log of nonessential repairs is minimal. There is no dedicated parts room, but the shop is secured, and parts are tracked through a PO system and balanced with work orders.

Exhibit 7.4 LTSA Transit Fleet

Vehicle #	Year	Make	Type	Length	PAX	WC Positions
102	2012	Gillig	Bus	40	39	2
103	2020	Gillig	Bus	40	39	2
19	2014	Arboc	Cutaway	26	19	3
21	2014	Arboc/GMC	Cutaway	26	19	3
22	2016	Frieghtliner	Bus	32	20	2
23	2016	Frieghtliner	Bus	32	20	2
24	2019	Glaval	Bus	32	22	2
25	2019	Arboc/GMC	Cutaway	26	19	3
26	2019	Arboc/GMC	Cutaway	26	19	3
27	2020	Ford	Van	20	7	2
28	2022	Front Runner/ Dodge	Cutaway	22' 8"	14	3



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Chapter 8 | Findings and Recommendations

Conclusions

With two exceptions, Moore & Associates finds the LTSA 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 LTSA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The TDA fiscal audits for FY 2022/23 and FY 2023/24 were submitted after the extended deadline.
2. LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

The audit team has identified two functional findings. While these findings are not compliance findings, the audit team believes they warrant inclusion in this report:

1. There are a number of operational issues related to internet connectivity.
2. Data reported to internal and external entities demonstrated some significant inconsistencies.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the LTSA'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.

Compliance Finding 1: The TDA fiscal audits for FY 2022/23 and FY 2023/24 were submitted after the extended deadline.

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.

Condition: In FY 2022/23, the LTSA's TDA fiscal audit was completed on May 7. This was more than five weeks after the deadline established under PUC 99245. In FY 2023/24, the audit was expected to be completed by the end of April 2025.

Cause: In FY 2022/23, there was no staff available to facilitate the audit. Both the Assistant Director and Transportation Planner were new at the time.



Effect: The audits were completed late. However, it did not result in any TDA payments for the following fiscal year needing to be withheld.

Recommendation: Work to ensure timely completion of TDA fiscal audits.

Recommended Action: At the time of this report, LCTC expected the LTSA audit to be completed by the end of April 2025. LTSA and the LCTC should work to ensure its audits can be completed by the extended deadline of March 31 each year.

Timeline: Ongoing.

Anticipated Cost: None.

Compliance Finding 2: LTSA does not use the TDA definition of full-time equivalent (FTE) employee for reporting to the State Controller.

Criteria: The State Controller, for its Transit Operator Financial Transaction Report, utilizes the TDA definition of full-time equivalent (FTE) employee for the reporting of employees. This definition, included as part of PUC 99247, calls for a definition of “employee” as total work hours divided by 2,000. Work hours include all hours worked (including overtime), but not vacation or sick leave hours that, while they may be paid, are not worked.

Condition: The LTSA’s State Controller Report is prepared by its fiscal auditor. During the current Triennial Performance Audit, the auditor advised that it uses the County’s definition of full-time equivalent, which is based on dividing by 2,080. It was unclear if the auditor was using a headcount of employees based on this information (which would be consistent with using the agency’s budgeted FTE) or if it was dividing actual work hours by 2,080.

Cause: A general lack of understanding of this requirement of the State Controller Report is the most frequent cause of this findings.

Effect: The operator is out of compliance with the TDA by failing to use the TDA definition for this metric.

Recommendation: Work with the LTSA’s auditor to utilize the TDA definition of full-time equivalent (FTE) employee for State Controller Reporting.

Recommended Action: Ensure both LTSA and its fiscal auditor have a detailed understanding of how FTE employees should be calculated for reporting to the State Controller, which is different from how FTE is defined for agency budgeting purposes or employment classifications. Some hours may need to be allocated between general operations and specialized services based on either actual work performed or a formula based on vehicle service hours by mode. Ensure the individual(s) completing the reports are aware of how to calculate this data using the TDA definition.

Timeline: Ongoing.



Anticipated Cost: None.

Functional Finding 1: There are a number of operational issues related to internet connectivity.

Criteria: There are several functional areas that shape this finding, including:

- Administration: Risk Management – connectivity issues prevent vehicle camera systems from downloading video footage automatically as well as effective use of the driver panic button.
- Administration: Contract Management – there are points in the service area where on-time performance data cannot be monitored due to lack of connectivity.
- Marketing and Public Information: Public Information – when the buses cannot transmit location information, this impacts the live service information available to the public. The availability of wi-fi onboard the buses can also attract new riders.

Condition: The lack of internet connectivity impacts the areas cited above. This has caused the LTSA to have to make manual correction (on-time performance), manually download camera data, and have gaps in real-time service information.

Cause: The rural and mountainous nature of the operating environment makes traditional internet communication less effective.

Effect: There are “dead spots” that require satellite internet to reach.

Recommendation: Explore grant funding to install satellite internet (such as StarLink) onboard the buses and at transit facilities as needed.

Recommended Action: Given the expense of the satellite internet, LTSA staff indicated a grant would be needed to fund this improvement. This recommendation calls for staff to identify and apply for grants that would make the addition of satellite internet possible.

Timeline: FY 2025/26.

Anticipated Cost: Unknown.

Functional Finding 2: Data reported to internal and external entities demonstrated some significant inconsistencies.

Criteria: It is the responsibility of the transit operator to ensure data is accurately recorded and reported to external agencies. PUC 99247 offers definitions of key performance measures.

Condition: Financial and performance data were reported inconsistently within TDA fiscal audits, monthly performance reports, National Transit Database reports, and State Controller Reports. In only one case (Passengers in FY 2021/22) did all three sources agree. For some metrics, two of three reports would be consistent, with a variance from the third. In several instances, this variation was relatively modest. In others, it was significant. (For a comprehensive analysis of these inconsistencies, see Chapter 5.)



Cause: With respect to one metric (Vehicle Service Hours in FY 2022/23), the cause of the variance was a significant misreporting in the State Controller Report. For all other metrics, the cause was unknown.

Effect: Varying data can affect the accuracy of the data used to calculate farebox recovery ratio and required performance indicators.

Recommendation: Ensure data is recorded and cited as accurately as possible on all reporting documents.

Recommended Action: Several steps can be taken to ensure data is reported accurately, or that known variances are documented:

1. Transit staff should review the State Controller Report and NTD report prior to their submittal to ensure the data is accurate, especially when these documents are prepared by an auditor.
2. Data that seems unusually low or high should be verified against monthly or annual contractor reports.
3. If fiscal data is updated at a later date (such as at the time of the TDA fiscal audit) and is not consistent with NTD and State Controller Reports that may have been submitted earlier, this variance should be documented and provided to the auditor during the next Triennial Performance Audit.

Timeline: FY 2024/25.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Continue to ensure timely completion of TDA fiscal audits.	High	Ongoing
2	Work with the LTSA's auditor to utilize the TDA definition of full-time equivalent (FTE) employee for State Controller Reporting	Medium	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Explore grant funding to install satellite internet (such as StarLink) onboard the buses and at transit facilities as needed.	Medium	FY 2025/26
2	Ensure data is recorded and cited as accurately as possible on all reporting documents.	High	FY 2024/25