



FY 2014—2016 TRIENNIAL PERFORMANCE AUDIT OF IMPERIAL VALLEY TRANSIT



SUBMITTED TO:

Imperial County Transportation Commission

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SUBMITTED BY:

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INTERNATIONAL

TABLE OF CONTENTS

Section I.....	1
Introduction	1
Overview of the Transit System.....	1
Section II.....	9
Operator Compliance Requirements.....	9
Section III.....	15
Prior Triennial Performance Recommendations	15
Section IV	19
TDA Performance Indicators.....	19
Section V	30
Review of Operator Functions.....	30
Operations.....	30
Maintenance	34
Planning.....	35
Marketing	37
General Administration and Management	38
Section VI	38
Findings.....	40
Recommendations	42

Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Imperial County Transportation Commission (ICTC) engaged Michael Baker International (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Imperial County. This performance audit is conducted for Imperial Valley Transit (IVT) covering the most recent triennial period, fiscal years 2013-14 through 2015-16.

The purpose of the performance audit is to evaluate IVT's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates IVT's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether IVT is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

IVT is the regional fixed-route transit provider for the Imperial Valley. The system was formed in 1989 under the name Imperial County Transit with five routes and a fleet of three buses running Monday through Friday. Currently, IVT operates intercity routes, express services and "fast" routes that serve Imperial Valley College (IVC), and direct routes between Brawley and the El Centro/Calexico areas.

The service area generally extends from Bombay Beach at the Salton Sea in the north to Calexico along the United States/Mexico international border in the south, and from Ocotillo in the west to Holtville in the east. The primary zone of service is in a north/south configuration and includes Brawley, Imperial, IVC, El Centro, Heber, and Calexico. The service is operated by First

Transit, Inc., and administered by ICTC on behalf of its eight member agencies to provide fixed-route transit services throughout Imperial County.

In addition to the regional inter-city routes, IVT has implemented and continues to plan branded circulator routes to serve local riders within each major city in the service area. In October 2006, the IVT Blue Line circulator shuttle service was launched within the city of El Centro. The Blue Line initially began service with two bidirectional routes utilizing smaller buses, which connect government agencies and services not currently served by the regional system. Commencing in July 2009, the routes were reconfigured and split into two branded circulator services: the Blue Line and the Green Line. In January 2014, the IVT Gold Line was implemented in Brawley and two additional circulator routes are planned for Calexico (Red Line) and Imperial (Orange Line).

ICTC, in conjunction with the Yuma County Interregional Public Transportation Authority (YCIPTA) and the Fort Yuma Quechan Indian Tribe, has partially subsidized an intercity fixed route service provided by Yuma County Area Transit (YCAT) Routes 5 and 10 connecting eastern Imperial County with El Centro and Yuma. The analysis of YCAT Routes 5 and 10 are addressed in a separate performance audit.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border to the south, Riverside County to the north, San Diego County to the west, and the State of Arizona and Colorado River to the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county's geographical land area encompasses 4,176 square miles and is traversed by 2,555 miles of roadway. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115. A demographic snapshot of key cities and the county is presented below in Table I-1:

**Table I-1
Imperial County Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census %	Population 65 years & older %	2017 Department of Finance Estimates	Land area (in square miles)
Brawley	24,953	+13.1%	10.05%	26,928	7.68
Calexico	38,572	+42.5%	11.43%	40,921	8.39
Calipatria	7,705	+5.7%	4.65%	7,555	3.72
El Centro	42,598	+11.4%	10.70%	45,628	11.08
Holtville	5,939	+5.8%	12.26%	6,255	1.15
Imperial	14,758	+91.8%	6.48%	18,658	5.86
Westmorland	2,225	+3.4%	11.24%	2,302	0.59
Unincorporated Area	37,778	+17.1%	11.62%	40,087	4,146.53
Total Imperial County	174,528	+22.6%	10.40%	188,334	4,176.60

Source: 2010 U.S. Census, California Department of Finance, 2017 Population Estimates

The city of El Centro is the county seat and largest city. The county and its incorporated cities saw notable growth between the 2000 and 2010 U.S. Census, in particular the cities of Calexico

and Imperial. The senior citizen population, comprised of residents aged 65 and over is 10.4 percent countywide. The 2017 population for Imperial County is estimated to be 188,334 as reported by the State Department of Finance. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

System Characteristics

The transit services operated in the Imperial Valley are composed of inter-city regional fixed routes, intra-city fixed route circulators and specialized demand response, complementary ADA paratransit and non-emergency medical transportation. IVT operates six types of services including regular fixed-route, express service to Imperial Valley College (IVC), direct intercity routes, lifeline and deviated routes in certain areas. In addition, routes that are designed as demand responsive only receive service if a request is made at least one day in advance. Complementary Americans with Disabilities Act (ADA) paratransit service is provided separately by IVT ACCESS, and also by IVT Rides, which are addressed in separate performance audit reports.

The IVT regional fixed-route system operates from 5:30 a.m. to 11:30 p.m., Monday through Friday; from 6:00 a.m. to 8:30 p.m. on Saturdays; and from 7:00 a.m. to 5:10 p.m. on Sundays. IVT does not operate on the following holidays: New Year’s Day, Martin Luther King’s birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, or Christmas Day. The following table contains details of each route within the IVT system:

**Table I-1
IVT Regional System**

Route Number	Description	Frequency/Operation	Destinations
1 North	Calexico–El Centro	Generally every 35 minutes (Monday through Friday from 5:45 a.m. to 11:23 p.m.) Generally every 90 minutes (Saturday from 5:55 a.m. to 8:30 p.m.) Generally every 2 hours, 30 minutes (Sunday from 7:00 a.m. to 5:10 p.m.)	<ul style="list-style-type: none"> ▪ Calexico ▪ Post Office-Calexico ▪ Camarena Library ▪ Heber-Post Office; ▪ Imperial Valley Mall ▪ El Centro Hospital ▪ Library-El Centro ▪ State & 7th Street
1 South	El Centro–Calexico	Every 35 minutes (Monday through Friday from 5:54 a.m. to 10:55 p.m.) Generally every 90 minutes (Saturday from 7:10 a.m. to 7:15 p.m.) Two AM & Two PM Trips (Sunday from 8:25 a.m. to 4:45 p.m.)	<ul style="list-style-type: none"> ▪ State & 7th Street-El Centro ▪ Library-El Centro ▪ El Centro Hospital ▪ Imperial Valley Mall ▪ Heber-Post Office ▪ Calexico
2 South	Niland–El Centro	Generally every 70 minutes	<ul style="list-style-type: none"> ▪ Niland

Route Number	Description	Frequency/Operation	Destinations
		(Monday through Friday from 6:00 a.m. to 10:20 p.m.) Generally every 90 minutes (Saturday from 6:20 a.m. to 7:40 p.m.) Two AM & Two PM Trips (Sunday from 7:15 a.m. to 3:50 p.m.)	<ul style="list-style-type: none"> ▪ Calipatria ▪ Westmorland ▪ Brawley ▪ Imperial ▪ Imperial Valley College ▪ Costco-El Centro ▪ State & 7th Street-El Centro
2 North	El Centro–Niland	Generally every 70 minutes (Monday through Friday from 5:45 a.m. to 10:45 p.m.) Generally every 90 minutes (Saturday from 6:00 a.m. to 8:20 p.m.) Two AM & Two PM Trips (Sunday from 8:25 a.m. to 5:00 p.m.)	<ul style="list-style-type: none"> ▪ State & 7th Street ▪ State & 14th Street ▪ Costco-El Centro ▪ Wal-Mart-El Centro ▪ Imperial Valley College ▪ Imperial ▪ Brawley ▪ Westmorland ▪ Calipatria ▪ Niland
3 East	El Centro– Holtville	Generally every 2 hours and 30 minutes (Monday through Friday from 8:10 a.m. to 6:40 p.m.) Two PM trips (Saturday from 1:20 p.m. to 6:40 p.m.)	<ul style="list-style-type: none"> ▪ State & 7th Street ▪ Costco-El Centro ▪ Imperial Valley College ▪ Holtville ▪ Retirement Inn
3 West	Holtville–El Centro	Generally every to 2 hours and 30 minutes (Monday through Friday from 7:11 a.m. to 7:40 p.m.) One AM & Two PM Trips (Saturday from 7:10 a.m. to 7:40 p.m.)	<ul style="list-style-type: none"> ▪ Retirement Inn ▪ Imperial Valley College ▪ Costco-El Centro ▪ State & 7th Street
4 West	El Centro–Seeley–Ocotillo	Approximately every 1 hour and 20 minutes to 2 hours and 20 minutes, with no service in mid-morning. (Monday through Friday 7:00 a.m. to 5:50 p.m.) One AM & Two PM Trips (Saturday from 8:00 a.m. to 5:40 p.m.) Ocotillo portion operates only on Tuesdays as an on-demand lifeline service. Route deviation	<ul style="list-style-type: none"> ▪ State & 7th Street ▪ INS Courthouse-El Centro ▪ Seeley ▪ Ocotillo

Route Number	Description	Frequency/Operation	Destinations
		service provided.	
4 East	Ocotillo–Seeley–El Centro	<p>Approximately every 75 minutes, with no service from mid-morning through early afternoon (Monday through Friday 7:20 a.m. to 5:20 p.m.) One AM & Two PM Trips (Saturday from 8:00 a.m. to 5:40 p.m.)</p> <p>Ocotillo portion operates only on Tuesdays as an on-demand lifeline service. Route deviation service provided.</p>	<ul style="list-style-type: none"> ▪ Ocotillo ▪ Seeley ▪ INS Courthouse-El Centro ▪ El Centro- State & 7th Streets
21 IVC Express	Calexico-IVC	<p>Six northbound A.M. Trips Five southbound P.M. Trips (IVC school days only)</p>	<ul style="list-style-type: none"> ▪ Post Office-Calexico ▪ Camarena Library-Calexico ▪ Imperial Valley College
22 IVC Express	Niland-IVC	<p>Two southbound A.M. Trips Two northbound P.M. Trips (IVC school days only)</p>	<ul style="list-style-type: none"> ▪ Niland ▪ Calipatria ▪ Westmorland ▪ Brawley ▪ Imperial Valley College
31 Direct	Brawley-Calexico	<p>Two southbound A.M. Trips and two southbound P.M. Trips (Monday through Saturday)</p>	<ul style="list-style-type: none"> ▪ Brawley – South Plaza ▪ Calexico - 3rd & Paulin
32 Direct	Calexico-Brawley	<p>Two northbound A.M. Trips and two northbound P.M. Trips (Monday through Saturday)</p>	<ul style="list-style-type: none"> ▪ Calexico - 3rd & Paulin ▪ Brawley – South Plaza
41 South	Brawley Fast	<p>One southbound A.M. Trip and one southbound P.M. Trip (Monday through Friday)</p>	<ul style="list-style-type: none"> ▪ Brawley-South Plaza ▪ Imperial-Post Office ▪ El Centro- State & 7th Streets
41 North	Brawley Fast	<p>One northbound P.M. Trip (Monday through Friday)</p>	<ul style="list-style-type: none"> ▪ El Centro- State & 7th Streets ▪ Brawley-South Plaza
45 West	Holtville Fast	<p>One westbound A.M. Trip and one westbound P.M. Trip</p>	<ul style="list-style-type: none"> ▪ Holtville – 5th Street & Holt Road

Route Number	Description	Frequency/Operation	Destinations
		(Monday through Friday)	<ul style="list-style-type: none"> ▪ El Centro- State & 7th Street
45 East	Holtville Fast	One eastbound P.M. Trip (Monday through Friday)	<ul style="list-style-type: none"> ▪ El Centro- State & 7th Street ▪ Holtville – 5th Street & Holt Road
51 South	Slab City-Bombay Beach-Brawley	One southbound A.M. Trip (Thursdays only as a lifeline service. Route deviation service provided)	<ul style="list-style-type: none"> ▪ Slab City ▪ Bombay Beach ▪ Imperial Spa ▪ Fountain of Youth Spa ▪ Niland ▪ Calipatria ▪ Brawley-South Plaza
51 North	Brawley–Bombay Beach	One Northbound P.M. Trip (Thursdays only as a lifeline service. Route deviation service provided)	<ul style="list-style-type: none"> ▪ Brawley-South Plaza ▪ Calipatria ▪ Niland ▪ Fountain of Youth Spa ▪ Imperial Spa ▪ Bombay Beach ▪ Slab City

Source: ICTC Rider's Guide

In addition to IVT's regional services, the IVT-Blue and Green Lines operate as circulator routes within the city of El Centro Monday through Friday. In January 2014, the IVT-Gold Line commenced service in Brawley. The following table provides a summary of the IVT local circulator services:

**Table I-2
IVT Local Circulators**

Route Name	Description	Frequency/Operation	Destinations
750	Blue Line (El Centro)	Every 1 hour, 10 minutes (Monday through Friday from 6:00 a.m. to 6:38 p.m.)	<ul style="list-style-type: none"> ▪ 7th & State ▪ 14th & State ▪ El Centro Library ▪ Center for Employment ▪ County Jail & Clark Road ▪ Social Security ▪ Social Services ▪ El Centro Regional Hospital
850	Green Line (El Centro)	Every 1 hour, 10 minutes (Monday through Friday)	<ul style="list-style-type: none"> ▪ 7th & State ▪ 14th & State

Route Name	Description	Frequency/Operation	Destinations
		from 6:00 a.m. to 6:38 p.m.)	<ul style="list-style-type: none"> ▪ DMV ▪ Bradshaw & Wal-Mart ▪ Senior Housing Complex & Myrtle ▪ Imperial Theaters ▪ Food 4 Less ▪ El Centro Regional Hospital ▪ Central High School
950	Gold Line (Brawley)	Every 1 hour, 10 minutes (Monday through Friday from 6:00 a.m. to 7:05 p.m.)	<ul style="list-style-type: none"> ▪ South Plaza ▪ Main & 9th Street ▪ Oakley Grammar School ▪ Del Rio School ▪ Walmart ▪ Pioneers Medical Center ▪ Warne Field ▪ BUHS

Source: ICTC Rider's Guide

Fares

During the audit period, the IVT fare structure was based on the number of zones traveled. There were six fare zones in the IVT system. The zones are outlined in the following table:

**Table I-3
IVT Fare Zones**

Zone	Destination
1	Bombay Beach & Spas
2	Calipatria & Niland
3	Brawley & Westmorland
4	El Centro, Imperial, IVC, Heber & Seeley
5	Calexico & Heber
6	Holtville

Source: ICTC

The community of Heber borders Zones 4 and 5; thus, riders would pay a single-zone fare to reach Zone 4 or Zone 5.

IVT implemented a fare increase in September 2013. One-way local zone fares increased by 25 cents and seniors' fares increased by 15 cents. Imperial Valley College fares also increased by 25 cents. Prices for ticket booklets increased by \$2.00 to \$4.00. The current fare schedule is presented in Table I-4 below:

**Table I-4
IVT Fare Schedule**

Category	Fares
Local Zone Fare/El Centro Circulators	\$1.00
Senior (60+)/Disabled Local Zone	\$0.50
Regional Zone Fare	\$1.25
Senior (60+)/Disabled Regional Zone	\$0.60
IVC Express – Student Fare	\$1.25
IVC Express – Non-Student Fare	\$1.75
Fast Trip	\$2.25
Direct	\$2.50
Ticket Booklets	
20-Ride Local Zone	\$16.00
20-Ride Regional Zone	\$20.00
20-Ride Student (Express Routes Only)	\$25.00
20-Ride Senior (60+)/Disabled Local Zone	\$10.00
20- Ride Senior (60+)/Disabled Regional Zone	\$12.00

Source: ICTC

Fleet

IVT operates a fleet of 22 vehicles ranging from 40-foot clean diesel low emission powered Gillig models to smaller cutaway buses. All IVT vehicles are wheelchair accessible in compliance with the *Americans with Disabilities Act of 1990* as well as equipped with bike racks and Wi-Fi. Table I-5 shows the vehicle fleet inventory.

**Table I-5
IVT Fleet Inventory**

Year	Make & Model	Quantity	Fuel Type	Seating Capacity
2012	Gillig Low Floor	10	Diesel	40 (2 W/C)
2015	Gillig Low Floor	6	Diesel	40 (2 W/C)
2016	Ford E-450 Super Duty Starcraft	6	Unleaded	20 (2 W/C)
Total		22		

Source: ICTC

W/C=Wheelchair

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of IVT's ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	<p>Completion/submittal dates: FY 2014: October 1, 2014 FY 2015: October 15, 2015 FY 2016: October 18, 2016</p> <p>The FY 2016 Transit Operators Financial Transactions Report was completed within the statutory timeframe but the cover page shows a signed date of January 31, 2017 by the ICTC Executive Director on behalf of the fiscal officer.</p> <p>Conclusion: Complied.</p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	<p>Completion/submittal dates: FY 2014: January 29, 2015 FY 2015: January 8, 2016 FY 2016: March 16, 2017</p> <p>A 90-day extension was granted by the RTPA pursuant to the TDA statute.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>IVT, through its contract operator, participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspections for IVT vehicles were conducted at First Transit located at 792 East Ross Road, El Centro.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period were July 25 & 26, 2013; November 10 & 12, 2014; November 9 & 10, 2015; and October 27 & 31; November 3, 2016.</p> <p>Inspections were found to be satisfactory.</p> <p style="text-align: center;">Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the annual claims for Local Transportation Funds for IVT are submitted in compliance with the rules and regulations adopted by ICTC.</p> <p style="text-align: center;">Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal	Public Utilities Code, Section 99270.1	IVT provides service in both urbanized and non-urbanized areas of Imperial County. ICTC, pursuant to State law (PUC Section 99270.1), is responsible

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
to the ratio determined by the rules and regulations adopted by the RTPA.		<p>for calculating an intermediate or “blended” fare recovery ratio, including the methodology for calculating the ratio. The last update in May 2013 reflects another change to the urbanized designation due to the 2010 Census. The blended farebox recovery ratio approved by Caltrans is 17 percent.</p> <p>The systemwide farebox recovery for IVT is as follows:</p> <p>FY 2014: 17.31% FY 2015: 19.03% FY 2016: 17.32%</p> <p>Source: ICTC Performance Summary</p> <p>Conclusion: Complied.</p>
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).	Public Utilities Code, Section 99266	<p>Percentage increase in IVT’s operating budget:</p> <p>FY 2014: +12.5% FY 2015: +2.3% FY 2016: +6.5%</p> <p>The increase in the FY 2014 operating budget is attributed to increased service hours and the implementation of Sunday service.</p> <p>Source: ICTC Annual Overall Work Program – Transit Programs Finance Plan.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	ICTC’s definition of performance measures as tracked and recorded by the contract operator is consistent with Public Utilities Code, Section 99247. However, more consistency between data in internal and external reports is required. Conclusion: Complied
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This measure is not applicable, as IVT is subject to the intermediate farebox recovery ratio established by ICTC. Conclusion: Not Applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This measure is not applicable, as IVT is subject to the intermediate farebox recovery ratio established by ICTC. Conclusion: Not Applicable.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 within 40 years.	Public Utilities Code, Section 99271	ICTC contracts with a private provider for operations, while ICTC employees are covered under the Imperial County Employees' Retirement System (ICERS) pursuant to the 1937 Act County Employees' Retirement Law. Conclusion: Complied.
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.	California Code of Regulations, Section 6754(a)(3)	ICTC expended State Transit Assistance Fund (STAF) revenues on transit services and makes use of federal transit grant funds as follows: FY 2014: \$1,490,009 (Operations) \$1,520,515 (Capital) FY 2015: \$2,691,066 (Operations) \$1,133,966 (Capital) FY 2016: \$2,215,307 (Operations) Source: Transit Operators Financial Transactions Reports Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to IVT, the operator satisfactorily complied with each of the nine requirements. Two additional compliance requirements did not apply to the operator (e.g., rural and urban farebox recovery ratios).
2. The required minimum farebox recovery ratio established for IVT is through an adopted methodology by ICTC that is approved by Caltrans. The minimum farebox standard adopted for the system during the period is 17 percent. The farebox recovery ratio was 17.31 percent in FY 2014, 19.03 percent in FY 2015; and 17.32 percent in FY 2016. The average systemwide farebox recovery ratio was 17.89 percent during the triennial review period. Increases in passenger trips and revenues have resulted in higher farebox ratios.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of IVT vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited modest increases during the period, with the highest increase occurring in FY 2014. The budget increased 12.5 percent in FY 2014; 2.3 percent in FY 2015 and 6.5 percent in FY 2016. The FY 2014 increase was attributed to the increase in service hours and the implementation of Sunday service.

Section III

Prior Triennial Performance Recommendations

IVT's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of IVT's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Continue to refine the IVT website to accommodate Spanish translation.

Background: The IVT website underwent a redesign and upgrade during the prior audit period. The redesigned site featured a rider alert that broadcasts last-minute service updates, interactive route maps, and the Rider's Guides in two formats (interactive and downloadable PDF). With options to provide information in both English and Spanish, the Spanish translation feature appeared to only translate certain texts while other materials remain in English. In contrast, a visit to the IVT ACCESS website confirmed that the Spanish language translation tool worked properly. It was suggested that the translation tool be configured to translate all content on the IVT website upon a user selecting the Spanish translation option.

Actions taken by IVT

With regard to this recommendation, the IVT website underwent further enhancements during the audit period that included the Spanish translation feature. A menu at the very top of the web page offers the option to view the content in either English or Spanish. Most of the pertinent information has been translated; however some inconsistencies remain. The Spanish page still contains menu titles presented in English such as "Documents Library" and "Contact Us." In addition, some of the titles on the "Acerca De" page are presented in English. While IVT has made a concerted effort to provide bilingual printed collateral and staffing, it is suggested that IVT continue to ensure that the Spanish language content is consistent and thorough.

Conclusion

This recommendation has been partially implemented.

Prior Recommendation 2

Work with MOU partners to adjust the farebox recovery standard on YCAT Route 10.

Background: YCAT's Route 10 (Turquoise Route) operates three days a week between Yuma and El Centro pursuant to an MOU between ICTC, YCIPTA, and the Fort Yuma-Quechan Tribe. The service is subsidized primarily by an FTA Tribal Transit Grant as well as TDA Article 8 (c) funds from ICTC. Route 10 was classified as an "urban fixed-route" and was held to an 18 percent farebox recovery target. Route 10 replaced an IVT lifeline service that operated once a week between Winterhaven, Holtville, and El Centro, signifying a jump in the service classification. The prior audit noted that the ability for the route to consistently meet the 18 percent target was challenging given the longer distances traveled and current low passenger per hour and mile indicators. It was suggested that the parties to the MOU consider reclassifying the route as a lifeline service and/or reducing the farebox recovery target. A suggested target of between 10 and 15 percent stays within the parameters of a rural or lifeline service.

Actions taken by IVT

This recommendation is also addressed in the YCAT Routes 5 & 10 performance audit. ICTC has continued to monitor the performance of Route 10, which commenced operation in January 2013 and provides lifeline service between Eastern Imperial County and El Centro. Funding for this service has been derived from TDA, a contribution from the Fort Yuma-Quechan Tribe, YCIPTA and passenger fares. In consideration of the Route 10 performance trends, the Eastern Imperial County Transit Services Operations and Implementation Business Plan was amended in July 2015 and the MOU between ICTC, YCIPTA, and the Fort Yuma-Quechan Tribe was revised in October 2015. Based on the projected ridership and historical data for Route 10 during its operation, the farebox recovery target was adjusted to 12 percent from the initial 18 percent.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Pursue a fare revenue agreement with Imperial Valley College.

Background: The prior audit noted that Imperial Valley College (IVC) generates a substantial number of trips on the IVT system. As transit consolidation and service expansion continues in the Imperial Valley along with the harmonization of farebox recovery ratios, it was suggested that ICTC hold discussions and pursue an agreement with IVC that will support farebox recovery and foster increased passenger service demand.

The agreement could take the form of a fixed revenue payment by the college for its students and funded through a proposed student transit fee added to the enrollment fee. An alternative would be a fee attached to the parking pass. The proposed fee, if implemented through student enrollment fees, would be included for all students which spreads the contributions to the transit service. Likewise, a fee added to a parking pass promotes the use of alternative transportation. With the proposed fee, by showing a valid IVC Student ID Card, a student rider would have access to IVT buses with no additional fare required. IVC faculty and staff could

purchase a subsidized IVT bus pass at a discount of the regular cost. A fee of this type that is attached to student enrollment is successfully implemented between other colleges and transit systems in the State and helps to ensure transit access for their students.

Actions taken by IVT

ICTC has not initiated or implemented a fare revenue agreement with IVC as described above. Currently, discounted tickets booklets and passes can be purchased at the IVC Parking Control Office in Room 902 on the campus. The IVC Express is among the most productive in the IVT system, averaging from 40 to 45 passengers an hour. The IVC Express offers a discounted student fare of \$1.25.

One possible impetus toward such an agreement could be the Transit Shuttle Analysis commissioned by ICTC and SCAG. The Transit Shuttle Analysis assessed the feasibility of an inter-college shuttle service in Imperial County between IVC and the San Diego State University (SDSU) – Imperial Valley campus in Calexico. ICTC and SCAG staffs worked together with IVC and SDSU staff to complete the consultant selection process and study. However, based on the economic implications between the current fare structure and a fare agreement, the current structure provides a stronger revenue base for IVT.

Conclusion

This recommendation has not been implemented and is no longer applicable.

Prior Recommendation 4

Invest in additional transit technology.

Background: With the recent consolidation and service expansion, it was suggested that IVT invest in transit technology as a means to further improve efficiency and economy of providing transit service over a large service area. Investments that have proven to further the performance of transit systems have included systemwide AVL, electronic fareboxes, bus cameras/video, NextBus automated customer information system, Google Transit, and Wi-Fi service on certain routes. Each of these investments would provide a different method to enhance service and ultimately the riding customer's experience. The degree and type of technology available to ICTC is contingent on several conditions, the largest being available funding, as is the case with most other transit agencies. Other conditions include the level of desired improvements to customer service, automation of manual processes, and schedule of deployment. The advancement of technology in capital asset planning should be considered and planned similar to other assets such as vehicle replacement.

Actions taken by IVT

With regard to this recommendation, IVT has implemented several technology upgrades externally and internally. In addition, the delivery of new vehicles has allowed for such opportunities to move forward. Wi-Fi has been made available on IVT buses. The mobile display tablets were acquired and implemented in FY 2015 for drivers to use in lieu of paper manifests and trip sheets. Future developments include the acquisition of an automated vehicle locator (AVL) system for the IVT fixed route vehicles. Other considerations would include mobile ticketing, and NextBus technology in conjunction with the AVL implementation.

Conclusion

This recommendation is in progress of being fully implemented.

Section IV

TDA Performance Indicators

This section reviews IVT's performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-5 provide the performance indicators for IVT systemwide, and separately for intercity and circulators. Charts are also provided to depict the trends in the indicators.

**Table IV-1
IVT Systemwide TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$3,239,885	\$3,617,468	\$3,940,796	\$4,134,360	27.6%
Total Passengers	633,707	741,069	870,698	848,906	34.0%
Vehicle Service Hours	32,761	37,818	44,006	44,371	35.4%
Vehicle Service Miles	681,178	752,264	877,159	885,609	30.0%
Employee FTE's	40	38	42	44	10.0%
Passenger Fares	\$500,177	\$626,104	\$750,054	\$716,246	43.2%
Operating Cost per Passenger	\$5.11	\$4.88	\$4.53	\$4.87	-4.7%
Operating Cost per Vehicle Service Hour	\$98.89	\$95.65	\$89.55	\$93.18	-5.8%
Operating Cost per Vehicle Service Mile	\$4.76	\$4.81	\$4.49	\$4.67	-1.8%
Passengers per Vehicle Service Hour	19.3	19.6	19.8	19.1	-1.1%
Passengers per Vehicle Service Mile	0.93	0.99	0.99	0.96	3.0%
Vehicle Service Hours per Employee	819.0	995.2	1,047.8	1,008.4	23.1%
Average Fare per Passenger	\$0.79	\$0.84	\$0.86	\$0.84	6.9%
Fare Recovery Ratio	15.44%	17.31%	19.03%	17.32%	12.2%

Source: IVT Summary Reports, State Controller Reports

**Table IV-2
IVT Regional TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$2,732,446	\$2,952,101	\$3,095,575	\$3,263,448	19.4%
Total Passengers	611,926	705,895	825,171	801,466	31.0%
Vehicle Service Hours	26,395	29,647	34,316	34,700	31.5%
Vehicle Service Miles	605,704	657,424	765,728	773,407	27.7%
Employee FTE's	40	38	42	44	10.0%
Passenger Fares	\$486,122	\$601,047	\$711,302	\$684,696	40.8%
Operating Cost per Passenger	\$4.47	\$4.18	\$3.75	\$4.07	-8.8%
Operating Cost per Vehicle Service Hour	\$103.52	\$99.58	\$90.21	\$94.05	-9.2%
Operating Cost per Vehicle Service Mile	\$4.51	\$4.49	\$4.04	\$4.22	-6.5%
Passengers per Vehicle Service Hour	23.2	23.8	24.0	23.1	-0.4%
Passengers per Vehicle Service Mile	1.01	1.07	1.08	1.04	2.6%
Vehicle Service Hours per Employee	659.9	780.2	817.0	788.6	19.5%
Average Fare per Passenger	\$0.79	\$0.85	\$0.86	\$0.85	7.5%
Fare Recovery Ratio	17.79%	20.36%	22.98%	20.98%	17.9%

Source: IVT Summary Reports, State Controller Reports

**Table IV-3
IVT Blue Line TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$253,755	\$260,965	\$296,384	\$308,204	21.5%
Total Passengers	15,625	21,380	21,611	18,027	15.4%
Vehicle Service Hours	3,184	3,208	3,199	3,171	-0.4%
Vehicle Service Miles	38,791	38,914	38,741	38,497	-0.8%
Passenger Fares	\$9,947	\$15,368	\$21,611	\$11,631	16.9%
Operating Cost per Passenger	\$16.24	\$12.21	\$13.71	\$17.10	5.3%
Operating Cost per Vehicle Service Hour	\$79.70	\$81.35	\$92.65	\$97.19	22.0%
Operating Cost per Vehicle Service Mile	\$6.54	\$6.71	\$7.65	\$8.01	22.4%
Passengers per Vehicle Service Hour	4.9	6.7	6.8	5.7	15.8%
Passengers per Vehicle Service Mile	0.40	0.55	0.56	0.47	16.3%
Average Fare per Passenger	\$0.64	\$0.72	\$1.00	\$0.65	1.3%
Fare Recovery Ratio	3.92%	5.89%	7.29%	3.77%	-3.7%

Source: IVT Summary Reports

**Table IV-4
IVT Green Line TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2013-2016
	FY 2013	FY 2014	FY 2015	FY 2016	
Operating Cost	\$253,684	\$260,940	\$296,708	\$308,319	21.5%
Total Passengers	6,156	8,478	11,235	15,428	150.6%
Vehicle Service Hours	3,182	3,208	3,192	3,174	-0.3%
Vehicle Service Miles	36,683	36,601	36,157	36,959	0.8%
Passenger Fares	\$4,108	\$5,670	\$6,714	\$8,621	109.9%
Operating Cost per Passenger	\$41.21	\$30.78	\$26.41	\$19.98	-51.5%
Operating Cost per Vehicle Service Hour	\$79.72	\$81.34	\$92.95	\$97.14	21.8%
Operating Cost per Vehicle Service Mile	\$6.92	\$7.13	\$8.21	\$8.34	20.6%
Passengers per Vehicle Service Hour	1.9	2.6	3.5	4.9	151.2%
Passengers per Vehicle Service Mile	0.17	0.23	0.31	0.42	148.7%
Average Fare per Passenger	\$0.67	\$0.67	\$0.60	\$0.56	-16.3%
Fare Recovery Ratio	1.62%	2.17%	2.26%	2.80%	72.7%

Source: IVT Summary Reports

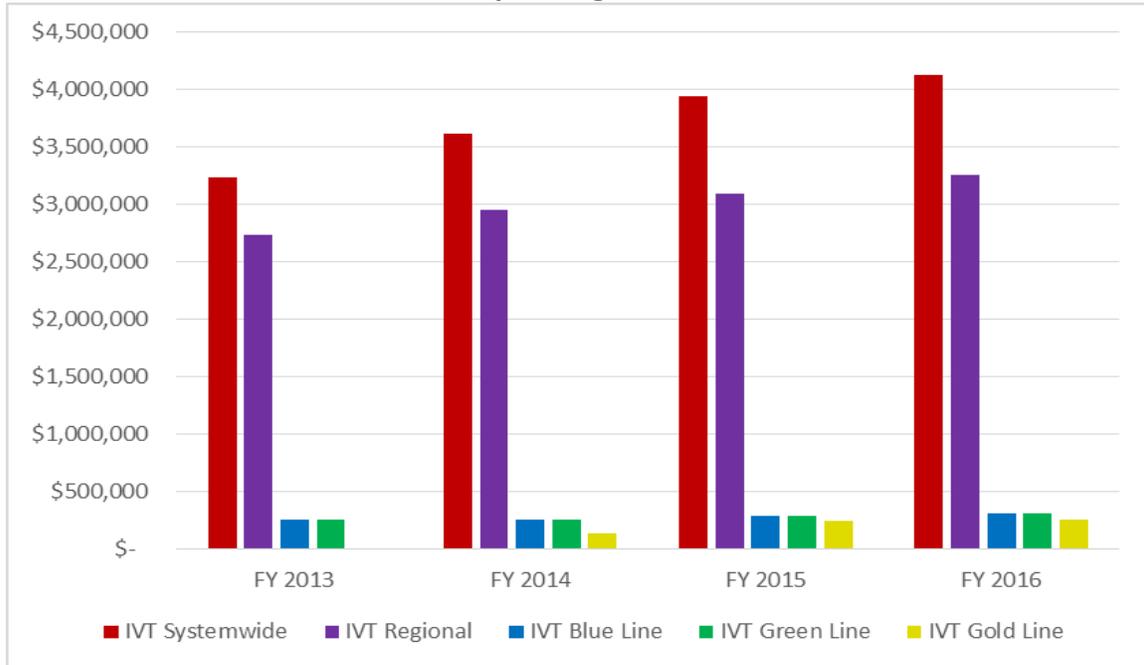
**Table IV-5
IVT Gold Line TDA Performance Indicators**

Performance Data and Indicators	FY 2013	Audit Period			% Change FY 2014-2016
		FY 2014*	FY 2015	FY 2016	
Operating Cost	n/a	\$143,462	\$252,129	\$254,389	77.3%
Total Passengers	n/a	5,316	12,681	13,985	163.1%
Vehicle Service Hours	n/a	1,755	3,299	3,326	89.5%
Vehicle Service Miles	n/a	19,325	36,533	36,746	90.1%
Passenger Fares	n/a	\$4,020	\$10,427	\$11,298	181.0%
Operating Cost per Passenger	n/a	\$26.99	\$19.88	\$18.19	-32.6%
Operating Cost per Vehicle Service Hour	n/a	\$81.73	\$76.43	\$76.49	-6.4%
Operating Cost per Vehicle Service Mile	n/a	\$7.42	\$6.90	\$6.92	-6.7%
Passengers per Vehicle Service Hour	n/a	3.0	3.8	4.2	38.8%
Passengers per Vehicle Service Mile	n/a	0.28	0.35	0.38	38.4%
Average Fare per Passenger	n/a	\$0.76	\$0.82	\$0.81	6.8%
Fare Recovery Ratio	n/a	2.80%	4.14%	4.44%	58.5%

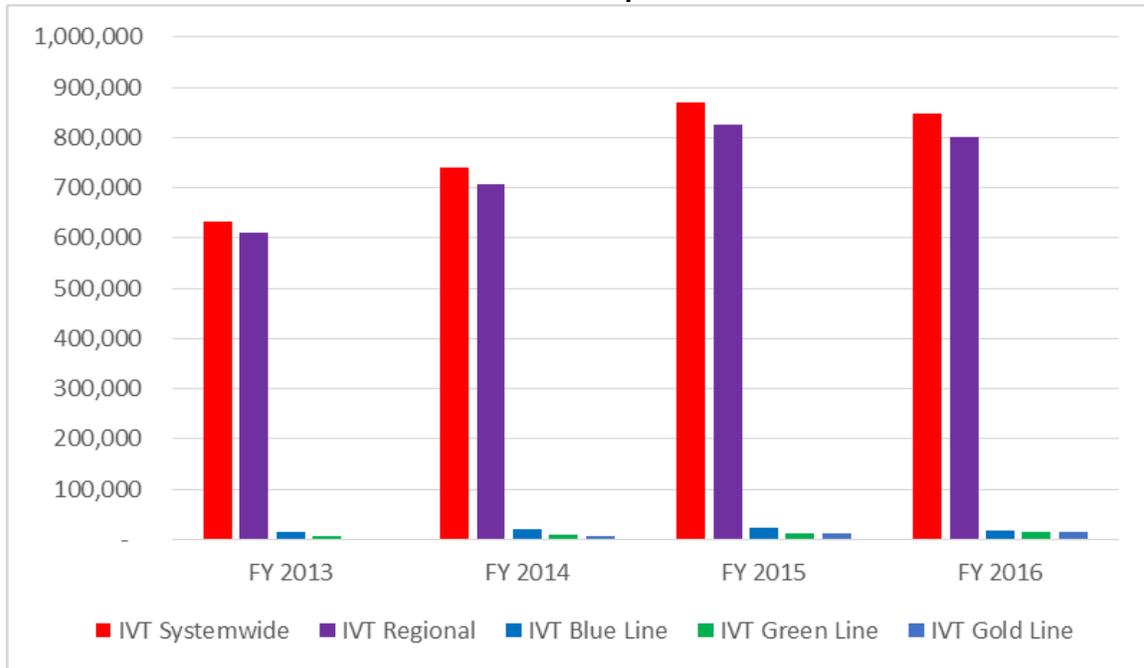
Source: IVT Summary Reports

*Gold Line service commenced in December 2013 (FY 2014)

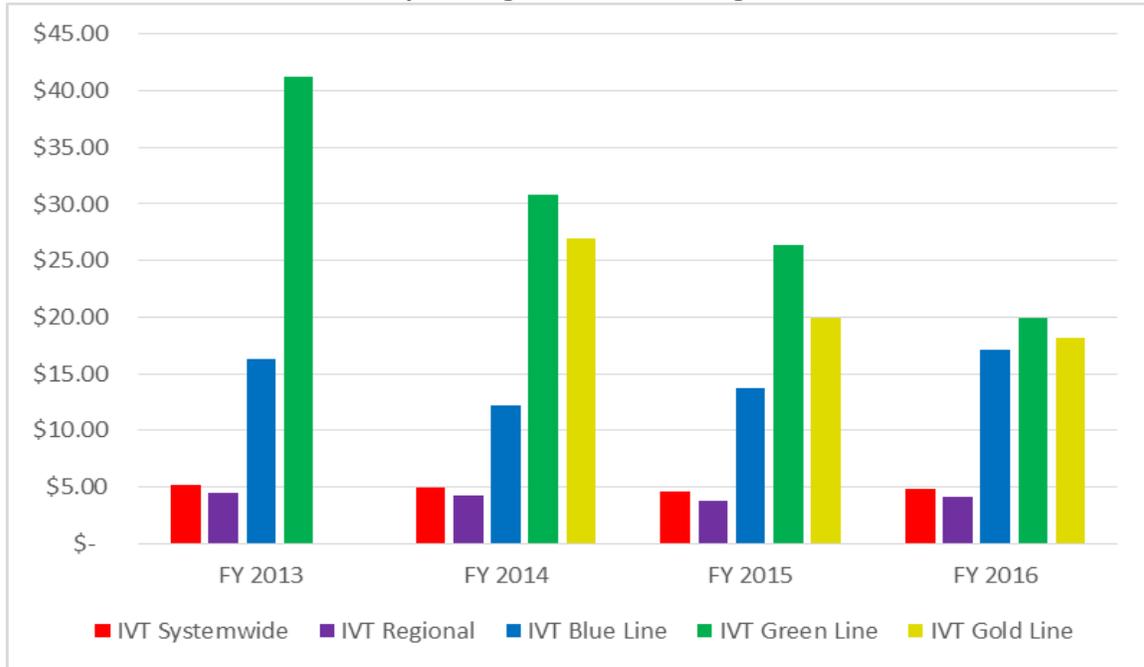
**Graph IV-1
Operating Costs**



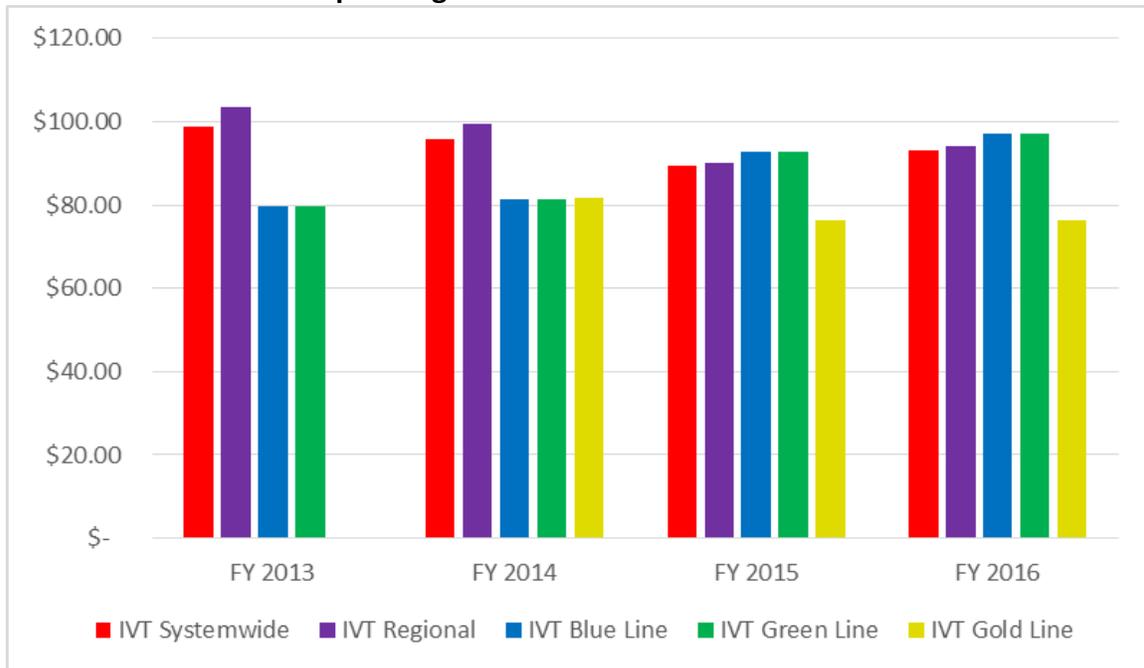
**Graph IV-2
Ridership**



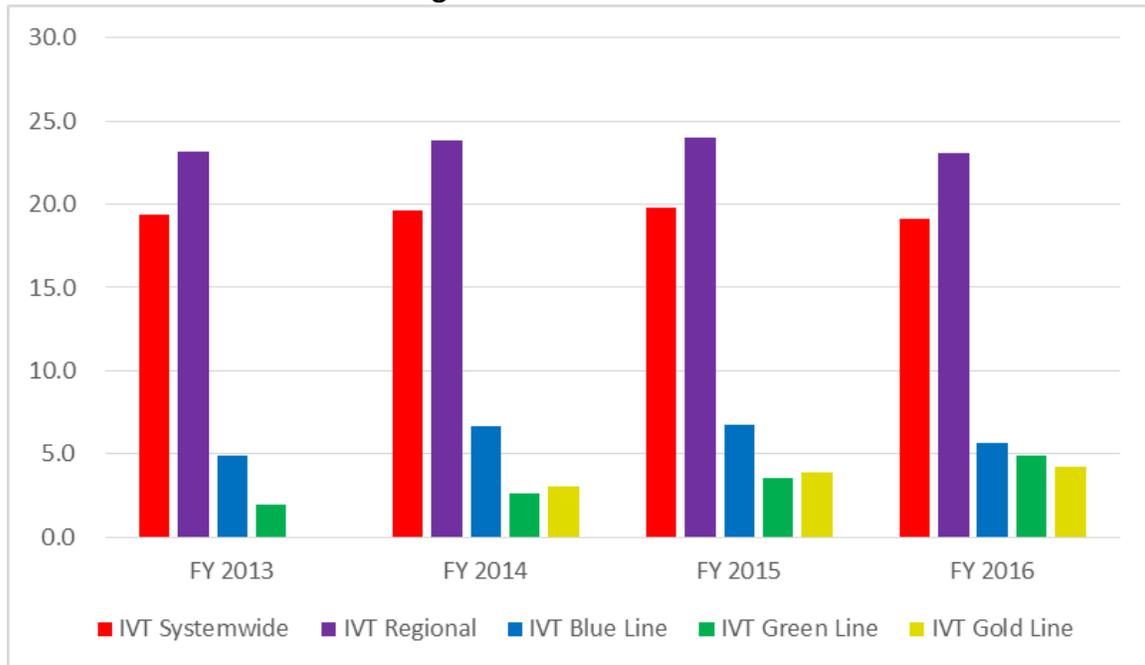
**Graph IV-3
Operating Cost Per Passenger**



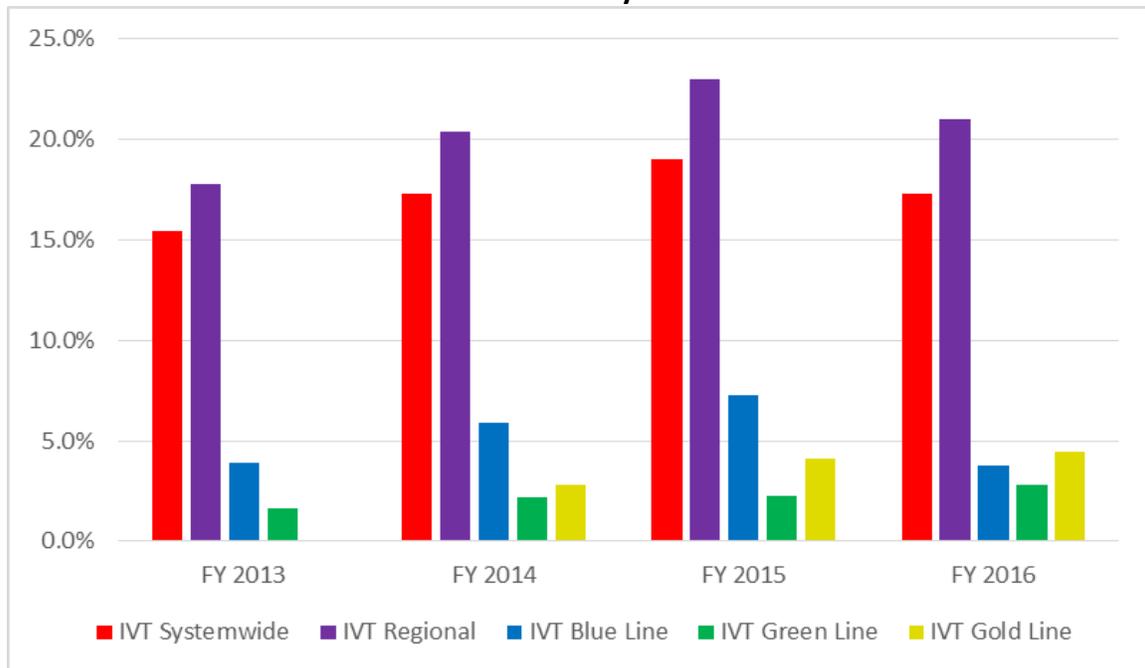
**Graph IV-4
Operating Cost Per Vehicle Service Hour**



Graph IV-5
Passengers Per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, decreased 5.8 percent systemwide from \$98.89 during the FY 2013 base year to \$93.18 in FY 2016. This trend is consistent with the increase in operating costs of 27.6 percent during the period and the slightly higher increase in vehicle service hours of 35.4 percent. The regional fixed route saw its cost per hour decrease 9.2 percent from \$103.52 in FY 2013 to \$94.05 in FY 2016. For the circulators, the Blue Line's cost per hour increased 22 percent; the Green Line's increased 21.8 percent; and the Gold Line's decreased 6.4 percent (from FY 2014).
2. **Operating cost per passenger**, an indicator of cost effectiveness, decreased 4.7 percent systemwide from \$5.11 in FY 2013 to \$4.87 in FY 2016. As noted above, operating costs increased 27.6 percent systemwide with ridership increasing 34 percent during the period from 633,707 passengers in FY 2013 to 848,906 passengers in FY 2016. The regional fixed route saw its cost per passenger decrease 8.8 percent from \$4.47 in FY 2013 to \$4.07 in FY 2016. For the circulators, the Blue Line's cost per passenger increased 5.3 percent; the Green Line's decreased 51.5 percent; and the Gold Line's decreased 32.6 percent (from FY 2014).
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased by a slight 1.1 percent between FY 2013 and FY 2016 systemwide from 19.3 passengers per hour to 19.1 passengers per hour. The trend in this indicator reflects the 34 percent increase in passenger trips coupled with the slightly higher 35.4 percent increase in vehicle service hours. The regional fixed route saw its passengers per hour decrease 0.4 percent from 23.2 passengers in FY 2013 to 23.1 passengers in FY 2016. For the circulators, the Blue Line's passengers per hour increased 15.8 percent; the Green Line's increased 151.2 percent (more than doubling from 2 to 5 passengers per hour); and the Gold Line's increased 38.8 percent (from FY 2014).
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 3 percent between FY 2013 and FY 2016 from 0.93 passengers per mile to 0.96 passengers per mile. From the FY 2013 base year to FY 2016, total vehicle service miles increased 30 percent from 681,178 vehicle service miles to 885,609 vehicle service miles, closely matching the increase in ridership. The regional fixed route saw its passengers per mile increase 2.6 percent from 1.01 passengers in FY 2013 to 1.04 passengers in FY 2016. For the circulators, the Blue Line's passengers per hour increased 16.3 percent; the Green Line's increased 148.7 percent; and the Gold Line's increased 38.4 percent (from FY 2014).
5. **Vehicle service hours per employee** increased 23.1 percent systemwide between FY 2013 and FY 2016. This increase is attributed to the 35.4 percent increase in vehicle service hours while the number of full-time employee equivalents increased 10 percent. This measure is based on the number of employee Full-Time Equivalents (FTE) using

employee pay hours from the State Controller's Report and dividing by 2,000 hours per employee.

6. **Average fare per passenger** increased marginally for the three year period. The average fare for IVT increased from \$0.79 per passenger in FY 2013 to \$0.85 per passenger in FY 2016. The average fare also increased slightly for both Blue and Gold Lines. However, the average fare per passenger for the Green Line decreased by 16 percent for the audit period from \$0.67 to \$0.56. The trend indicates that the average fare is a little over half the one way local zone fare of \$1.00. This relatively low average fare contributes to the low farebox recovery for the Green Line, and is explained by ridership data showing seniors/disabled composing over 70 percent of the passengers. The senior/disabled local fare is \$0.50. From this ridership, the growth in fare revenue collection has not kept pace with growth in ridership over the past three years in percentage terms, leading to the trend.
7. **Farebox recovery** exhibited an overall increase of 12.2 percent between FY 2013 and FY 2016 systemwide from 15.44 percent farebox recovery to 17.32 percent. Passenger fare revenue increased 43.2 percent whereas operating costs increased 27.6 percent. The regional fixed route saw its farebox recovery ratio increase 17.9 percent from 17.79 percent recovery in FY 2013 to 20.98 percent in FY 2016. For the circulators, the Blue Line's farebox recovery decreased 3.7 percent (from 3.92 to 3.77 percent recovery); the Green Line's farebox recovery increased 72.7 percent (from 1.62 to 2.80 percent recovery); and the Gold Line's farebox recovery increased 58.5 percent (from 2.80 in FY 2014 to 4.44 percent recovery).

Conclusion from the Verification of TDA Performance Indicators

IVT's performance indicators reflect an increase in ridership of its fixed route services due to the implementation of Sunday service in January 2014, increased frequencies and the expansion of Saturday service hours. Ridership on the community circulators also continue to increase, in particular on the Green and Gold Lines. The IVT Gold Line service in Brawley was implemented in December 2013, which has benefited from passengers who formerly used the general public Dial-A-Ride service. Operating costs per hour and passenger decreased during the period, which are indicative of greater cost efficiencies and effectiveness. Systemwide operating costs exhibited an average annual increase of 8.5 percent whereas the average annual increases in hours and passengers were 10.9 and 10.6 percent, respectively. With the addition of newer buses and higher route productivity, the system has been able to maintain lower increases in operating costs.

Although there was increased demand on the circulator services in FY 2016, farebox recovery attainment continues to be a challenge and should be monitored. This is largely explained by the ridership where seniors/disabled passengers compose the majority of riders, in particular the Green Line. The local fare for seniors/disabled is half the regular local fare. While farebox recovery suffers from the lower fare, operational efficiencies are made from providing these rides using a fixed route service.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within IVT. The review highlights accomplishments, issues and/or challenges that were determined during the audit period. The following functions were reviewed at the First Transit operations facility and ICTC offices in El Centro:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

ICTC as the administrator and trustee of public transit services in the Imperial Valley has adopted the following Mission and Vision Statements:

Transit Mission Statement:

The mission of the Imperial County Transportation Commission (ICTC) public transit systems is to improve the quality of life for the residents of the Imperial Valley through a coordinated, accessible, affordable and efficient countywide transit system.

Transit Vision Statement:

The transit network provides a safe, affordable and reliable transit system that meets the needs of the transit dependent in communities within the Imperial Valley, by providing access to health care, education, public services, employment, commercial and recreational activities.

In keeping with its mission and vision statements, ICTC has continued to enhance public transit access and visibility through consolidation, coordination and rebranding. As Imperial County's principal public fixed-route transit system, IVT has continued to boost service to meet the demand. The increase in service has also been aided by the spike in local sales tax revenues from point-of-sale transactions related to the solar energy sector. The service area for IVT includes routes in the Primary Corridor area between Brawley, Imperial, Imperial Valley College (IVC), El Centro, and Heber to Calexico. The Secondary Service areas include Holtville, Seeley, Niland,

Calipatria, and Westmorland. The Remote Zones (lifeline service) include Bombay Beach (Salton Sea area), Ocotillo, Seeley, and Winterhaven.

Pursuant to recommendations contained in the ICTC FY 2010-11 Short-Range Transit Plan, IVT renumbered its routes. For instance, the Calexico-El Centro Routes 150 and 100 were renumbered as 1 North and 1 South, respectively. ICTC has also been pro-active to implement findings from the unmet transit needs process. For example, a finding in FY 2013-14 was to implement additional 1 North and 1 South trips to alleviate overcrowding, including striving for 35 minutes headways during peak times. ICTC policy is to institute a new route or trip on a limited demonstration basis for a minimum of 12 months. This allows for review and evaluation of the public's acceptance and use of the transit service. Service adjustments can also be made as necessary to remain effective and efficient. Where new services perform to standards, ICTC can recommend the service be transferred out of demonstration status and become part of the IVT system.

Service expansion occurred initially on a demonstration basis including adding 35 minute headways in October 2013 on core Routes 1 North and 1 South. Additional unmet transit needs were implemented including expansion to Saturday service in August 2013 and Sunday service in January 2014. The IVT Gold Line was also launched in FY 2013. Each of these new services were evaluated for performance for a minimum 12 month demonstration period, but typically lasts for 36 months. In October 2015, ICTC transferred the services from demonstration status into the fixed route system.

Coinciding with the service expansion was the construction of transfer stations to provide infrastructure for improved connectivity. There are timed transfer points in El Centro and in Brawley for passengers to transfer to and from the IVT intracity and intercity bus systems. These stations are in addition to the Imperial Valley College Intermodal Transit Terminal. In January 2014, ICTC and the City of El Centro completed a multi-bus off street transfer facility at 7th and State Streets in El Centro. The facility provides the opportunity to transfer from the IVT Blue and Green Lines to the IVT intercity service. In December 2013, ICTC and the City of Brawley completed an off street transfer facility at S. 5th Street and S. Plaza Street. The facility provides the opportunity to transfer from the IVT Gold Line to the IVT intercity service.

ICTC owns most of the transit vehicles in operation. ICTC received delivery of 6 brand new 40ft Low Floor Gillig transit buses in July 2015. The vehicles were purchased using California State Prop 1B funding in the amount of approximately \$1.68 million. The vehicles were received ready for service and are all operating on the fixed route services. An additional 6 small 25 foot cutaway transit vehicles to be procured will be operated on the lower ridership fixed route services. Those vehicles will be purchased under the CalACT statewide cooperative purchasing agreement. All 6 vehicles will replace a mixture of leased and First Transit owned vehicles to make the entire fixed route fleet ICTC owned.

IVT's contract operator, First Transit, is the United States subsidiary of First Transit PLC headquartered in the United Kingdom. U.S. operations are headquartered in Cincinnati, Ohio,

and local operations are in El Centro. First Transit’s General Manager and Vice President meet formally with ICTC staff on a quarterly basis.

Dispatching is conducted from the First Transit operations facility in El Centro. There are eight dispatchers (4 full-time and 4 part-time) who are trained on all the IVT-branded services. Dispatchers work staggered 8 hour shifts between the hours of 4:45 a.m. and 12:00 a.m.

The driver’s trip sheet is configured into two sections. The top third of the sheet provides a summary of the run where the driver records the date, bus number, total number of passengers, cancellations, no-shows, ADA passengers, starting mileage and times, ending mileage and time, deadhead and total amount of fares collected. The bottom portion of the trip sheet provides more detailed information such as passenger names, pick up and drop off addresses, pick up time and odometer readings, drop off time and odometer readings and trip mileage.

Dispatchers input performance data into the First Transit’s proprietary software program, Info-Suite. The contract operator includes a management summary report with its monthly invoice to ICTC. The summary report contains year-to-date vehicle service data (e.g. road calls, wheelchair lift failures, accidents, incidents, vandalism) and qualitative passenger service data (on-time performance, denials, no-shows, compliments, complaints). Complaints are broken down based on seven category types. In addition to the management summary report, the contract operator includes a monthly performance data summary with year-to-date totals, farebox summary, performance indicator charts and a trip denials report. Two of the operational measures reported on the management summary report are accidents and on-time performance. On-time performance is measure from origin to destination.

With regard to vehicle safety, IVT tracks the number of accidents, which are categorized as “preventable” or “non-preventable.” According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. A non-preventable accident is the result of a collision or incident while the driver was lawfully operating the vehicle. These measures are summarized in Table V-1 for the audit period.

**Table V-1
Accidents & On-Time Performance**

	FY 2014	FY 2015	FY 2016	Total/Average
Accidents	1	1	0	2
On Time Performance	89.70%	92.49%	92.97%	91.72%

Source: IVT Management Summary Report - First Transit

The frequency of accidents reported was minimal. Retraining is conducted after each accident and infraction.

On-time performance has averaged over 90 percent with only slight variations from year to year. IVT reported time adherence issues on Route 2 due to waits at railroad crossings. Customer

service trends are monitored on the passenger service report, which are presented on the same spreadsheet as the management summary report.

Another measure of customer service is in the tracking of complaints and compliments on the passenger service report and tallied for the service year. Complaints and compliments are summarized in Table V-3 below.

**Table V-3
Complaints & Compliments**

	FY 2014	FY 2015	FY 2016	Total
Complaints	17	6	11	34
Compliments	8	5	5	18

Source: IVT Management Summary Report - First Transit

The number of reported complaints decreased from 17 in FY 2014 to 11 in FY 2016. Most of the complaints pertain to pick-up issues. In addition, 18 compliments were received during the period. Data for the FY 2013 base year were unavailable.

Farebox handling and reconciliation procedures involve oversight by a rotation of at least two staff members. Vehicles are equipped with manual Diamond fareboxes. At the end of the run, each full farebox is removed from the vehicle and locked inside a vault. All cash fares are counted the following weekday by two staff members in a locked camera-equipped room. Once cash is counted it is placed in sealed deposit bags and kept under key until ready to be deposited at the bank. GardaWorld armored car picks up the farebox revenue. First Transit deducted the proceeds from its cost on the monthly invoice to ICTC.

The empty fareboxes are placed inside the transit vehicles under the custody of two staff members. Included with the monthly invoice submittal to ICTC is a breakdown of farebox revenues received for each service day. Farebox proceeds are broken down according to passenger fare category along with the cash recorded on the trip sheet, the actual cash received and the variance.

Personnel

First Transit's contract operations personnel is comprised of five management level staff, four road supervisors, 18 dispatchers, 61 drivers, six mechanics, and four utility workers. Two of the dispatchers and 10 of the drivers are part-time. Between 80 to 85 percent of drivers have been cross-trained on all the IVT services. Non-exempt employees, which include the drivers, mechanics, and utility workers, are represented by Teamsters Local 542, which has a branch office in El Centro. The Memorandum of Understanding (MOU) is for a five-year term. The current MOU was renewed in January 2016. Management meets with the union local representative monthly.

Driver candidates are required to have a Class B license with Verification of Transit Training (VTT) certification along with air brake and passenger endorsements and a Department of

Transportation medical card. Driver training involves 20 hours classroom and 20 hours behind-the-wheel instruction. In addition, drivers are required to be bilingual in English and Spanish due to the service area demographics. First Transit plans to add a certified trainer to its El Centro operations due to the excessive wait time at the Department of Motor Vehicles, which can be as long as three months. Background checks can range between three and four weeks. Management reports minimal turnover of about six to seven employees over the audit period.

There is a 90-day probationary period for new employees. After probation, full-time employees are eligible for benefits. Benefits include medical, dental, and vision plans. In addition, employees receive \$10,000 in employer-paid life insurance and the option of long-term disability insurance. There are several types of employee incentives such as employee appreciation barbecues, food and raffles during monthly safety trainings, and points earned toward free lunches and television sets for zero accidents. Drivers can place suggestions in a comment box.

Employees are required to attend monthly safety meetings, which are generally held on Tuesday and Wednesday evenings at 6:30 p.m. Safety meetings are also held on Saturdays and other evenings during the week to accommodate all employees. Corporate-provided topics are discussed as well as issues encountered in the field. First Transit uses “touchpoints” to provide feedback and promote safe practices by employees. All vehicles are equipped with DriveCam, a digital event-based surveillance camera system that monitors driver behavior and fuel efficiency. Operations managers and road supervisors also go on ride-alongs to gauge safe driving practices once or twice a month.

First Transit has a zero-tolerance policy to drug and alcohol abuse. A drug and alcohol handbook stipulates the company’s policies and protocols. Random drug testing is performed through Cal-Test Drug Testing Services in Imperial. There is no second testing on negative dilutes.

Maintenance

IVT vehicles are stored and maintained at First Transit’s facility located at 792 Ross Road in El Centro. The facility is located on leased property where the owner has made available another acre for potential expansion. There are three service bays with portable floor jacks to raise the vehicles for routine inspections of the vehicle undercarriage. The Preventative Maintenance Inspection (PMI) is structured on an A-B-C schedule. Smaller cutaway vehicles are serviced every 3,000 miles and larger vehicles are serviced every 6,000 miles. Drivers complete a pre-trip inspection form prior to each run, which is composed of three sheets. One sheet goes to dispatch, one goes to maintenance and the other sheet remains with the vehicle. IVT vehicles are fueled at local service stations with assigned fuel cards.

First Transit utilizes the Infor EAM MP2 maintenance software program, which, among other capabilities, tracks mileage, parts inventory, and PMIs. Mileage and fuel data are manually uploaded to the system daily. The software was updated during the audit period and allows for paperless work orders. Commencing in February 2016, technicians have been using tablets to track work orders allowing for paperless transmission and review. The system advises when the

PMIs are due and maintains separate records for 3,000-mile and 6,000-mile inspections. Parts inventory is monitored at each phase of a purchase order execution: upon request, activation, and completion. Cycle counts are conducted weekly. The contract operator reports an increased parts inventory due to recent fleet expansion.

On-site maintenance is performed by six mechanics and four utility workers tasked with fueling and washing the vehicles. The mechanic work shifts are staggered between the hours of 5:00 a.m. and 2:00 a.m. to ensure constant coverage throughout all hours of operation as well as to work more efficiently. Mechanics supply their own tools and are Automotive Service Excellence (ASE)-certified. ASE certification has now become a requirement due to the diverse vehicle fleet.

The contract operator tracks road calls on its management summary report. Table V-4 below provides a summary of roadcalls incurred on IVT during the audit period.

**Table V-4
Roadcalls**

	FY 2014	FY 2015	FY 2016
IVT Regional	47	98	53
IVT Blue Line	6	7	3
IVT Green Line	5	7	2
IVT Gold	0	5	6
Totals	58	117	64

Source: IVT Management Summary Report - First Transit

The frequency of roadcalls has fluctuated during the audit period from 58 roadcalls during FY 2014, to 117 roadcalls in FY 2015, and down to 64 in FY 2016. The contract operator reported air conditioning compressor issues during the hot summer months. IVT vehicles received satisfactory ratings for all vehicle inspections conducted during the audit period as part of the CHP Transit Operator Compliance Program.

Planning

Fixed-route service planning and analysis have been a coordinated effort between operators, stakeholders and ICTC. ICTC commissioned the ICTC FY 2010-11 Short-Range Transit Plan (SRTP) in 2010, which was released in January 2012. The SRTP contains performance standards that provided a measurement tool to gauge the effectiveness and success of the transit service. Table V-3 summarizes IVT fixed route’s performance and service quality standards presented in the FY 2010-11 SRTP:

**Table V-3
IVT Fixed Route
Performance Standards**

Performance Indicator	Performance Standard for IVT Fixed Route
Operating Cost per Passenger	\$6.50
Operating Cost per Revenue Hour	\$101.00

Performance Indicator	Performance Standard for IVT Fixed Route
Operating Cost per Revenue Mile	\$4.44
Passengers per Revenue Hour	20.0
Farebox Recovery Ratio	17 percent

Source: FY 2010-11 Short-Range Transit Plan, AECOM & AMMA

The operating cost per passenger has remained below \$6.50, which reflects a positive trend during the audit period (from \$4.18 in FY 2014 to \$4.07 in FY 2016). The operating cost per revenue hour indicator also had a positive trend by staying below the standard of \$101.00 (from \$99.58 in FY 2013 to \$94.05 in FY 2016). The operating cost per mile standard of \$4.44 was exceeded in FY 2013 (\$4.49), but was met in FYs 2014 (\$4.04) and 2015 (\$4.22). The number of passengers per revenue hour remained above 20 passengers and averaged 23.6 passengers over the three years. IVT was able to attain its farebox recovery ratio standard and averaged 21.44 percent for the three years.

During the audit period, ICTC commissioned the *2014 Public Transit – Human Services Transportation Coordination Plan Update*, which was adopted in November 2014. The Coordination Plan Update includes a reassessment of all available public and private transportation services in Imperial County, a reassessment of public and social services transportation needs, development of strategies and/or activities to address gaps in service, identification of coordination measures to eliminate or minimize duplication in services where they exist, and an implementation plan. An objective of the plan is the coordination of various systems – demand response and fixed route – to be able to get riders to their destination at a certain time.

Other planning activities have centered upon transit infrastructure. ICTC in conjunction with the City of Calexico and the Southern California Association of Governments (SCAG) commissioned the Calexico Intermodal Transportation Center Study in 2014 to determine the feasibility and preferred location for a new Intermodal Transportation Center in downtown Calexico. Given that the Calexico Port of Entry (POE) at the U.S.-Mexico International Border is amongst the busiest, motorized and pedestrian traffic has tended to create bottleneck conditions where current transit providers have stops. The goal of the Study is to determine the most convenient and efficient approaches to co-locate multiple transportation providers in one location near the border.

In FY 2013-14, ICTC staff developed a plan for a four-phase bus stop improvement program. The multi-year program is implemented in phases and includes the following:

1. Memorandum of Understanding between ICTC and member agencies on the use of bus stops.
2. ICTC Safety and Design Standards Guidelines — This planning effort is an attempt to develop a local source of information on bus and bus stop requirements for planners, public works staff and developers in order to accommodate and incorporate the use of transit buses in member agencies' communities and development plans.

3. Region wide Bus Stop/Terminal inventory including categorization of existing and recommended amenities, photographs, ADA compliance review, GPS coordinates and recommendations for improvements, replacement of all bus stop signage, recommendations for schedule and information technology
4. Research and recommendation into the feasibility of a region wide bus stop maintenance contractor.

Marketing

IVT transit services are marketed through various types of media. The contract operator is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. As per the service contract with ICTC, five percent of the transit budget is allocated toward marketing. ICTC also contracts with Spectrum Creative Solutions or the Conveyor Group for printed collateral and marketing accessories such as brochures and pens.

The IVT Rider's Guide is widely distributed and is published in English and Spanish. The Rider's Guide contains maps and schedules for each intercity and intracity route, as well as fare information. Key landmarks such as schools, shopping, post offices, hospitals, and government buildings are identified on the maps for ease of use. In addition, ICTC budgeted \$7,000 for seven pages of glossy advertisement in the Imperial County Area Agency on Aging Senior Services Directory of all the transit services it administers including a two page spread for IVT. The advertisement features a branded vehicle with bilingual information, website address and phone numbers for reservations.

The IVT website (<http://www.ivtransit.com/home/>) was updated during the audit period. The redesigned site features a rider alert that broadcasts last minute service updates, interactive route maps, and the riders guide in two formats (interactive and downloadable PDF). Quick links are provided for a user to access specific services quickly, whether a circulator route, direct route, express route, FAST route, or YCAT route. Spanish translation is available for primary content. Users with smartphones and tablets can also download the IVT site to their device. Twitter and Facebook links on the website are additional social media leads for communication, news and notifications about the service.

The travel training program is featured on the website. Prospective riders are brought to the IVT operations yard and shown how to utilize the bus. Travel training is offered for both fixed route and demand response modes.

Pursuant to the federal Civil Rights Act of 1964, IVT has an adopted Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint procedures available in English and Spanish posted on the website (<http://www.ivtransit.com/accessibility/ada-complaint-procedures/>) and a statement is printed in the IVT Rider's Guide.

General Administration and Management

The Imperial County Transportation Commission (ICTC) was established under Senate Bill (SB)-607 as an independent successor agency to the Imperial Valley Association of Governments (IVAG). ICTC provides direct administration, management, and oversight for IVT. The ICTC governing Board is comprised of 10 voting members and one ex-officio member appointed by the Governor of California. The membership of the ICTC Board is as follows:

- Two members from the Imperial County Board of Supervisors;
- One elected official (mayor or councilmember) from each of the seven incorporated cities in Imperial County;
- One member from the Imperial Irrigation District (IID) Board of Directors;
- One non-voting ex-officio member appointed by the Governor of California (Caltrans, District 11 Director or representative)

Meetings of the ICTC Board are convened on the 4th Wednesday of the month at 6:00 p.m. in the Imperial County Board of Supervisors Chambers located at 940 Main Street in El Centro. During the audit period, the ICTC Overall Work Plan and Budget reflect staffing of eight full-time positions to manage the agency's programs and services. The full-time positions include one office technician, one Executive Assistant/Secretary to the Commission, one administrative analyst, three transportation/transit planner positions from entry level to senior level in classifications (responsible for: Regional Transportation Planning; Regional Transit Planning; and Transit Service Administration), and the Executive Director. Toward the end of the audit period, ICTC filled the position of Mobility Coordinator, which is tasked with public outreach for paratransit services such as IVT ACCESS and IVT RIDE and administration of the eligibility and certification process for senior citizens and persons with disabilities as defined under the Americans with Disabilities Act of 1990.

In addition to the oversight of IVT provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

Grants Management

IVT relies on a variety of grants and other funding mechanisms to support its transit services. Such funding derived primarily from local sources and measures.

Pursuant to TDA, IVT receives Local Transportation Fund (LTF) proceeds. TDA funding is used for operating and capital expenses. LTF revenues claimed during the audit period for IVT operations were \$1,564,028 in FY 2014; \$1,647,264 in FY 2015; and \$1,634,443 in FY 2016. LTF revenues claimed for the IVT Blue and Green Lines were \$409,250 in FY 2014; \$419,319 in FY 2015; and

\$430,512 in FY 2016. LTF revenues claimed for the IVT Gold Line were \$83,044 in FY 2014; \$122,995 in FY 2015; and \$120,769 in FY 2016.

Revenues from local Measure D, the one-half cent sales tax in effect since adoption in November 1989 and renewed by the voters in 2010, are allocated by the Local Transportation Authority to the cities and the County of Imperial primarily for local street and road purposes. In addition, a small percentage of the tax revenue is allocated for administration (one percent), transit (two percent) and state highway (five percent) purposes. No local Measure funds have been allocated toward regional transit operations.

As a transit service serving both urbanized and rural areas of Imperial County, IVT, through ICTC, receives federal funding from the FTA Section 5307 and FTA Section 5311 grant programs. FTA Section 5307 urban formula grant funds for IVT operations and capital projects have ranged from \$2.0 million to over \$3.0 million per year for the audit period.

FTA Section 5311 rural formula grant funds expended were \$462,000 in FY 2015 and \$240,000 in FY 2016 for operation of the IVT fixed-route system. ICTC submits a Program of Projects that identifies sub-recipients and projects to receive Section 5311 funds in their planning area by December 31 of each year. In addition, the ICTC received federal transit formula grant funds under the FTA Section 5309 competitive capital investment grant toward transit infrastructure projects such as the transfer terminals. In addition to the aforementioned federal formula grants, a two-year FTA Section 5310 grant was approved for mobility management activities.

Section VI

Findings

The following summarizes the major findings obtained from this Triennial Audit covering fiscal years 2014 through 2016. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the nine compliance requirements pertaining to IVT, the operator fully complied with each of the nine requirements. Two additional compliance requirements did not apply to the operator (e.g., rural and urban farebox recovery ratios).
2. The required minimum farebox recovery ratio established for IVT is through an adopted methodology by ICTC that is approved by Caltrans. The minimum farebox standard adopted for the system during the period is 17 percent. The farebox recovery ratio was 17.31 percent in FY 2014, 19.03 percent in FY 2015; and 17.32 percent in FY 2016. The average systemwide farebox recovery ratio was 17.89 percent during the triennial review period. Increases in passenger trips and revenues have resulted in higher farebox ratios.
3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of IVT vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. Of the four prior audit recommendations, IVT implemented one, partially implemented another, and is in progress of implementing a third, while the last no longer applied. The prior recommendation partially implemented is forwarded for full implementation.
5. IVT fixed route achieved cost efficiencies and effectiveness over the three year period, as shown by trends in key parameters such as operating cost per vehicle service hour, and operating cost per passenger. These indicators showed decreased costs per unit. Cost per hour decreased systemwide by 6 percent while cost per passenger declined by 5 percent. As operating costs grew, the level of service and ridership growth kept pace.
6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, was fairly stable systemwide for the audit period. While the indicator for IVT regional service, which carries the majority of riders, was stable, the circulator services exhibited significant growth in ridership relative to their service hours.
7. The average fare per passenger for the Green Line decreased by 16 percent for the audit period from \$0.67 to \$0.56. The trend indicates that the average fare is a little over half the one way local zone fare of \$1.00. This relatively low average fare contributes to the low farebox recovery for the Green Line, and is explained by ridership data showing seniors/disabled composing over 70 percent of the passengers. The senior/disabled local

fare is \$0.50. From this ridership, the growth in fare revenue collection has not kept pace with growth in ridership over the past three years in percentage terms.

8. Additional unmet transit needs were implemented including expansion to Saturday service in August 2013 and Sunday service in January 2014. The IVT Gold Line was also launched in FY 2013. Each of these new services were evaluated for performance for the minimum 12 months, and in October 2015, ICTC transferred the services from demonstration into the fixed route system.
9. ICTC owns most of the transit vehicles in operation. ICTC received delivery of 6 brand new 40ft Low Floor Gillig transit buses in July 2015. The vehicles were purchased using California State Prop 1B funding in the amount of approximately \$1.68 million. The vehicles were received ready for service and are all operating on the fixed route services.
10. First Transit's contract operations personnel is comprised of five management level staff, four road supervisors, 18 dispatchers, 61 drivers, six mechanics, and four utility workers. Two of the dispatchers and 10 of the drivers are part-time. Between 80 to 85 percent of drivers have been cross-trained on all the IVT services. Non-exempt employees are represented by Teamsters Local 542.
11. Most basic maintenance for IVT vehicles is performed at the First Transit facility located at 792 Ross Road in El Centro, which contains three service bays with portable floor jacks to raise the vehicles for routine inspections of the vehicle undercarriage. The Preventative Maintenance Inspection (PMI) is structured on an A-B-C schedule. Smaller cutaway vehicles are serviced every 3,000 miles and larger vehicles are serviced every 6,000 miles.
12. The IVT website (<http://www.ivtransit.com/home/>) was updated during the audit period. The redesigned site features a rider alert that broadcasts last minute service updates, interactive route maps, and the riders guide in two formats (interactive and downloadable PDF). Quick links are provided for a user to access specific services quickly.

Recommendations

1. Review opportunities for increasing local revenue to boost farebox recovery.

State Senate Bill (SB) 508, passed in October 2015, makes changes to how farebox recovery is calculated. Consistent with current practice, transit systems are able to boost their farebox recovery through inclusion of local revenues generated by the transit service. The required minimum farebox recovery ratio established for IVT is through an adopted methodology by ICTC that is approved by Caltrans. The minimum farebox standard adopted for the system during the period is 17 percent, which is inclusive of the regional services, local circulators and ADA paratransit.

Under the new law, other local revenues are allowed to prop up the farebox. In addition to local transportation sales tax revenue, examples of local fund revenues include advertisement on buses and bus shelters, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and ICTC should work with the fiscal auditor to accurately reflect the farebox ratio allowed under new state law.

2. Continue to make enhancements to the IVT website to accommodate Spanish translation.

The IVT website underwent a redesign and upgrade during the audit period. The redesigned site features a rider alert that broadcasts last minute service updates, interactive route maps, and the riders guide in two formats (interactive and downloadable PDF). Most of the pertinent information has been translated; however some inconsistencies remain. The Spanish page still contains menu titles presented in English such as “Documents Library” and “Contact Us.” In addition, some of the titles on the “Acerca De” page are printed in English. While IVT has made a concerted effort to provide bilingual printed collateral and staffing, it is suggested that IVT continue to ensure that the Spanish language content is consistent and thorough.

3. Revise timeline of transit operator State Controller Report submittals.

New state legislation was passed (AB 1113 - Bloom) on July 21, 2017 that changes the timeline to submit the annual Transit Operators Financial Transaction Reports to the State Controller. These reports that ICTC prepares for its general public fixed route encompassing IVT regional and local circulator systems, and specialized services including IVT ACCESS, IVT RIDES, and IVT MedTrans, have extended submittal dates from within 110 days after fiscal year end to 7 months after fiscal year end, or end of January. This is an extension of about 100 days. In addition, with the change in dates, these reports are required to contain underlying data from audited financial statements. This means the State Controller Reports must contain audited financial data drawn from the annual transit operator fiscal audits which are due 180 days, or 6 months, after fiscal year end.