



Tulare County Regional Transit Agency

AGENDA

April 20th, 2026

3:30 PM

Meeting Location:

200 E. Center Avenue

Visalia, CA 93291

NOTE: This meeting will allow the public to participate in the meeting via Microsoft Teams using the following link:

[Join the meeting now](#)

Meeting ID: 262 527 949 562 82

Passcode: sD93f3PL

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, including auxiliary aids, translation requests, or other accommodations, or to be able to access this agenda and documents in the agenda packet, please contact the Tulare County Regional Transit Agency ("TCRTA") office at 559-623-0832 at least 3 days prior to the meeting. Any staff reports and supporting materials provided to the Board after the distribution of the agenda packet are available for public inspection at the TCRTA office.

- I. CALL TO ORDER, WELCOME, AND ROLL CALL**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT**

**NOTICE TO THE PUBLIC
PUBLIC COMMENT PERIOD**

At this time, members of the public may comment on any item of interest to the public and within the subject matter jurisdiction of TCRTA but not appearing on this agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak with a total of fifteen (15) minutes allotted for the Public Comment Period. Speakers are requested to state their name(s) and address(es) for the record.

IV. CONSENT CALENDAR ITEMS:

All Consent Calendar Items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made, in which event the item will be removed from the Consent Calendar. All items removed from the Consent Calendar for further discussion will be heard at the end of Action / Discussion Items.

Request Approval of the Consent Calendar Items

- A. Approve Minutes of March 16th, 2026 (Pages 01-02)
- B. Information: Monthly Ridership Summary (Pages 03-06)
- C. Information: Monthly Budget Report (Pages 07-14)
- D. Action: Approve Reso 2026-012 TCRTA - CNG Mechanical Service Agreement (Pages 15-20)

V. ACTION/ DISCUSSION ITEMS:

- A. Action: Approve Reso 2026-013 TCRTA FY 2024/25 Fiscal Audit Report (Pages 21-80)
- B. Action: Approve Reso 2026-014 Measure R Supplemental Agreement Amend 1 - TCAT Buses (Pages 81-87)
- C. Information: Microtransit Van Branding (Pages 89-89)

VI. CLOSED SESSION:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation (Government Code Section 54956.9(d)(2))
Number of Potential Cases: 1

VII. OTHER BUSINESS:

- A. Requests from Board Members for Future Agenda Items
- B. Director's Report

VIII. ADJOURN:

The next regularly scheduled Tulare County Regional Transit Agency (TCRTA) Board meeting will be **Monday, May 18th, 2026, and will take place at 3:30 pm** at the Tulare County Regional Transit Agency (TCRTA), 200 E. Center Avenue, Visalia, CA 93291.

TULARE COUNTY REGIONAL TRANSIT AGENCY

BOARD OF DIRECTORS

ALTERNATE

AGENCY

Maribel Reynosa – Vice Chair	Kuldip Thusu	City of Dinuba
Vicki Riddle	Frankie Alves	City of Exeter
Greg Gomez	Paul Boyer	City of Farmersville
Misty Villarreal	Joe Soria	City of Lindsay
Terry Sayre	Patrick Isherwood	City of Tulare
Jose Martinez	Rudy Mendoza	City of Woodlake
Larry Micari - Chair	Amy Shuklian	County of Tulare
Vacant	Vacant	Tule River Tribe

EX OFFICIO MEMBERS

Sidd Nag, CalVans
Liz Wynn, TCAG Public Transit Representative

TCRTA STAFF

Derek Winning, TCRTA Executive Director
Juana Sierra Perez, TCRTA Finance Manager
Vacant, TCRTA Transit Planning Manager
Chris Acevedo, TCRTA Transit Analyst
Sina Davoudi Kanderagh, TCRTA Transit Analyst
Megan Flores Rosas, TCRTA Transit Analyst
Ashlee Compton, TCRTA Transit Coordinator
Danielle Puder, TCRTA Accountant III
Alissa Kennedy, TCRTA Administrative Clerk I
*Thomas Degn, County Counsel

TCRTA
200 E. Center Avenue
Visalia, CA 93291
Phone: (559) 623-0832
www.gotcrta.org

**Tulare County Regional Transit Agency (TCRTA)
2026 Board Meeting Schedule**

Date	Location
January 26, 2026*	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
February 23, 2026*	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
March 16, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
April 20, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
May 18, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
June 15, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
July 20, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
August 17, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
September 21, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
October 19, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
November 16, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291
December 21, 2026	Tulare County Regional Transit Agency 200 E Center Ave., Visalia, CA 93291

The TCRTA Board meets at 3:30 pm. Most meetings fall on the third Monday of each month. Meeting dates with asterisks have been changed due to holidays and/or calendar conflicts.

Meetings will be held at the location noted above for each month, unless otherwise noted in that month's agenda.

**Tulare County Regional Transit Agency
Board Meeting Minutes
March 16, 2026, 3:30 p.m.**

Members Present: Micari, Reynosa, Martinez, Riddle, Gomez, Sayre, Soria

Members Absent: Villarreal

Non-Voting Alternates:

Ex Officio Present:

Staff Present: Derek Winning, Chris Acevedo,
Sina Davoudi Kanderagh, Juana Sierra-Perez, Danielle Puder, Megan Flores, Ashlee Compton

Counsel Present: Thomas Degn

***Board member attended online or due to emergency or just cause.**

I. CALL TO ORDER:

Board Vice Chair Micari called the meeting to order at 3:30 p.m.

II. PLEDGE OF ALLEGIANCE:

Led by Director Martinez

III. PUBLIC COMMENT:

None

IV. CONSENT CALENDAR ITEMS:

All Consent Calendar Items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made, in which event the item will be removed from the Consent Calendar. All items removed from the Consent Calendar for further discussion will be heard at the end of Action / Discussion Items.

Request Approval of the Consent Calendar Items

- A.** Approve Minutes of March 16, 2026
- B.** Information: Monthly Ridership Summary
- C.** Information: Monthly Budget Report
- D.** Action: Approve Reso 2026-008 Sage Intacct Inc Software

M: Gomez

S: Reynosa

Notes: Consent calendar approval passed unanimously.

V. ACTION/ DISCUSSION ITEMS:

- A.** Action: Approve Reso 2026-009 RNG Supplier and Credit Management - Consultant Selection

M: Martinez

S: Reynosa

Notes: Resolution 2026-009 passed unanimously

- B. Action: Approve Reso 2026-010 2027 Federal Transportation Improvement Program (FTIP) Project List

M: Soria

S: Sayre

Notes: Resolution 2026-010 passed unanimously

- C. Action: Approve Reso 2026-011 TCRTA Pet Policy Update

M: Gomez

S: Soria

Notes: Resolution 2026-011 passed unanimously

- D. Information: Exeter and Farmersville Ridership Update

Notes: Information Only

VI. CLOSED SESSION ITEMS:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation (Government Code Section 54956.9(d)(2)) Number of Potential Cases: 2

VII. OTHER BUSINESS:

- A. Requests from Board Members for Future Agenda Items

- B. Director's Report

VIII. ADJOURN:

The meeting adjourned at 4:30p.m. Vice Chair Reynosa confirmed the next scheduled meeting of the Tulare County Regional Transit Agency (TCRTA) Board of Directors will be held on **Monday, April 20th, 2026, and will take place at 3:30 PM.** at the Tulare County Regional Transit Agency (TCRTA), 200 E. Center Avenue, Visalia, CA 93291.

AGENDA ITEM IV-B: FY 2025-2026 Ridership Summary Report

TCRTA	FIXED ROUTE													Comments
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	ANNUAL	
OPERATING DAYS														
Weekday	22	22	20	23	18	19	21	19	21	22	21	21	249	
Saturday	4	5	4	4	5	4	4	4	5	4	5	4	52	
Sunday	4	4	5	4	6	7	5	5	5	3	4	5	57	
TOTAL OPERATING DAYS	30	31	29	31	29	30	30	28	31	29	30	30	358	
FIXED ROUTE RIDERSHIP														
Dinuba: D1	503	795	736	695	366	570	502	613	625	0	0	0	5,405	
D2	370	476	483	442	455	544	520	516	600	0	0	0	4,406	
D3	142	69	120	116	60	88	123	53	53	0	0	0	824	
D4	424	342	427	325	229	226	158	173	146	0	0	0	2,450	
(Dinuba Connection) DC	472	1,284	1,419	1,302	1,267	915	611	1,460	1,312	0	0	0	10,042	
(Dinuba High School Loop) DL	N/A	N/A	57	42	28	24	46	62	38	0	0	0	297	
Dinuba Totals	1,911	2,966	3,185	2,880	2,377	2,343	1,914	2,815	2,736	0	0	0	23,127	
Tulare: T1	1,737	1,952	1,854	1,581	1,912	1,764	1,763	1,765	2,027	0	0	0	16,355	
T2	1,866	2,143	1,943	1,776	1,392	1,632	1,862	1,916	2,160	0	0	0	16,690	
T3	2,231	2,470	2,391	2,346	1,870	1,971	2,229	2,154	2,456	0	0	0	20,118	
T4	2,742	2,896	2,479	2,926	2,273	2,175	2,398	2,445	2,666	0	0	0	23,000	
T5	1,385	1,709	1,780	1,310	1,478	1,587	1,575	1,550	1,599	0	0	0	13,973	
T6	914	1,727	1,868	1,651	1,299	1,232	1,587	1,741	1,998	0	0	0	14,017	
(Tulare) 11X	2,088	3,028	2,967	3,146	2,320	2,545	2,919	3,135	3,592	0	0	0	25,740	
Tulare Totals	12,963	15,925	15,282	14,736	12,544	12,906	14,333	14,706	16,498	0	0	0	129,893	
Commuter: C10	2,781	3,469	3,514	2,912	1,952	2,846	3,167	2,479	2,405	0	0	0	25,525	
C20	1,439	1,491	1,752	2,034	1,275	1,239	1,176	1,087	1,724	0	0	0	13,217	
C30	2,552	3,002	2,971	2,473	2,150	2,941	3,286	3,521	3,550	0	0	0	26,446	
C40	1,737	3,149	3,063	2,111	3,073	1,882	2,583	2,658	3,385	0	0	0	23,641	
C70	62	0	0	30	4	6	0	15	58	0	0	0	175	March 2026, Manual count
C80	58	6	0	0	0	9	0	0	83	0	0	0	156	March 2026, Manual count
C90	358	137	6	112	82	0	0	4	412	0	0	0	1,111	March 2026, Manual count
County Totals	8,987	11,254	11,306	9,672	8,536	8,923	10,212	9,764	11,617	0	0	0	90,271	
Tule River Tribe (TR)	70	75	66	81	55	61	52	52	84	0	0	0	596	
TOTAL RIDERSHIP	23,931	30,220	29,839	27,369	23,512	24,233	26,511	27,337	30,935	0	0	0	243,887	

AGENDA ITEM IV-B: FY 2025-2026 Ridership Summary Report

TCRTA	ON-DEMAND													Comments
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	ANNUAL	
PARATRANSIT RIDERSHIP														
Dinuba	206	233	227	222	188	228	234	205	234	0	0	0	1,977	
Lindsay	84	69	62	60	36	39	35	27	22	0	0	0	434	
County	92	95	84	119	132	135	157	173	224	0	0	0	1,211	
Tulare	494	497	450	610	549	575	640	596	629	0	0	0	5,040	
Woodlake	164	154	188	193	141	193	205	211	232	0	0	0	1,681	
TOTAL RIDERSHIP	1,040	1,048	1,011	1,204	1,046	1,170	1,271	1,212	1,341	0	0	0	10,343	Service commingled with Microtransit
MICROTRANSIT RIDERSHIP														
Dinuba	298	279	271	253	236	257	287	259	372	0	0	0	2,512	
Exeter	18	15	15	26	32	42	27	39	55	0	0	0	269	
Farmersville	72	86	140	141	98	94	61	78	120	0	0	0	890	
Goshen	26	36	49	37	30	31	26	35	61	0	0	0	331	
Ivanhoe	46	41	44	72	65	79	71	62	58	0	0	0	538	
Lindsay	64	78	113	124	126	144	157	185	158	0	0	0	1,149	
Orosi-Cutler	31	31	17	27	30	42	38	39	47	0	0	0	302	
Porterville	44	58	121	160	131	127	147	174	186	0	0	0	1,148	
County	229	262	242	268	201	276	306	302	378	0	0	0	2,464	
Tulare	619	880	858	891	836	797	886	760	812	0	0	0	7,339	
Visalia	361	416	479	592	459	472	480	438	471	0	0	0	4,168	
Woodlake	35	30	40	41	28	32	53	56	73	0	0	0	388	
TOTAL RIDERSHIP	1,843	2,212	2,389	2,632	2,272	2,393	2,539	2,427	2,791	0	0	0	21,498	Service commingled with Paratransit
Rider Account Creations	279	381	342	313	242	239	296	250	283	0	0	0	2,625	

TCRTA	SERVICES PROVIDED BY VISALIA TRANSIT													Comments
	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	ANNUAL	
FIXED ROUTE RIDERSHIP														
Exeter Boardings (Route 9)	688	956	990	962	928	N/A	N/A	N/A	N/A	0	0	0	4,524	Inaccurate data reporting - ridership not available
TOTAL EXETER RIDERSHIP	688	956	990	962	928	N/A	N/A	N/A	N/A	0	0	0	4,524	
Farmersville Boardings (Route 9)	607	883	1096	904	805	N/A	N/A	N/A	N/A	0	0	0	4,295	Inaccurate data reporting - ridership not available
Farmersville Boardings (Route 12)	383	409	188	116	247	N/A	N/A	N/A	N/A	0	0	0	1,343	Inaccurate data reporting - ridership not available
TOTAL FARMERSVILLE RIDERSHIP	990	1292	1,284	1,020	1,052	0	0	0	0	0	0	0	5,638	
DIAL-A-RIDE RIDERSHIP														
Trips from Exeter	92	77	85	85	52	87	84	60	83	0	0	0	705	
Trips to Exeter	69	72	78	80	48	80	74	52	79	0	0	0	632	
TOTAL EXETER RIDERSHIP	161	149	163	165	100	167	158	112	162	0	0	0	1,337	
Trips from Farmersville	27	39	38	55	41	68	40	38	41	0	0	0	387	
Trips to Farmersville	24	33	33	50	40	63	40	30	42	0	0	0	355	
TOTAL FARMERSVILLE RIDERSHIP	51	72	71	105	81	131	80	68	83	0	0	0	742	

AGENDA ITEM IV-B-1: FY 2024-2025 Ridership Summary Report

TCRTA	FIXED ROUTE													Comments
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	ANNUAL	
OPERATING DAYS														
Weekday	22	22	20	23	18	19	21	19	21	22	21	21	249	
Saturday	4	5	4	4	5	4	4	4	5	4	5	4	52	
Sunday	4	4	5	4	6	7	5	5	5	3	4	5	57	
TOTAL OPERATING DAYS	30	31	29	31	29	30	30	28	31	29	30	30	358	
FIXED ROUTE RIDERSHIP														
Dinuba: D1	709	595	549	666	504	686	589	694	716	684	419	635	7,446	
D2	670	693	678	966	740	659	468	662	683	709	445	567	7,940	
D3	196	258	259	432	311	192	148	92	87	87	36	87	2,185	
D4	421	702	608	711	471	322	329	259	353	377	205	480	5,238	
(Dinuba Connection) DC	198	1,174	1,318	1,318	1,201	574	852	1,207	1,392	1,236	293	335	11,098	
Dinuba Totals	2,194	3,422	3,412	2,411	3,227	2,433	2,386	2,914	3,231	3,093	1,398	2,104	32,225	
Tulare: T1	1,630	1,649	2,321	2,156	1,905	1,426	1,629	2,086	1,739	2,115	1,807	1,741	22,204	
T2	1,849	1,757	2,470	2,411	1,836	1,788	2,060	1,798	1,942	1,907	1,868	1,575	23,261	
T3	1,719	1,763	2,261	2,519	2,133	1,928	2,114	2,087	2,417	2,276	2,252	2,200	25,669	
T4	3,122	2,376	2,596	2,485	3,052	2,820	2,816	2,695	2,666	2,997	2,912	2,532	33,069	
T5	2,068	1,793	1,801	1,761	1,885	1,480	1,821	1,845	1,999	1,938	1,924	1,459	21,774	
T6	1,006	1,439	1,636	1,944	1,212	970	1,420	1,501	1,550	1,512	1,218	996	16,404	
(Tulare) 11X	1,721	2,266	2,570	3,280	2,941	2,645	3,283	2,879	3,271	2,937	2,772	2,089	32,654	
Tulare Totals	13,115	13,043	15,655	16,556	14,964	13,057	15,143	14,891	15,584	15,682	14,753	12,592	175,035	
Commuter: C10	2,483	3,508	3,677	4,498	3,873	3,642	3,915	3,957	4,456	3,920	2,662	3,013	43,604	
C20	1,514	1,643	1,819	1,871	1,717	1,663	1,628	1,489	1,609	1,712	1,482	1,268	19,415	
C30	2,387	2,284	3,204	3,338	3,769	3,166	3,171	3,424	3,602	3,385	3,019	2,808	37,557	
C40	2,274	2,963	2,862	3,165	2,957	2,887	4,046	3,764	4,302	3,278	3,387	2,090	37,975	
C70	49	49	55	37	45	69	70	91	87	78	79	33	742	
C80	57	62	82	46	82	84	73	73	50	31	44	16	700	
C90	213	330	550	545	391	415	348	494	308	245	322	139	4,300	
County Totals	8,977	10,839	12,249	13,500	12,834	11,926	13,251	13,292	14,414	12,649	10,995	9,367	144,293	
Tule River Tribe (TR)	59	56	36	45	49	55	61	41	87	109	115	71	784	Service reinstated on April 1, 2024
TOTAL RIDERSHIP	24,345	27,360	31,352	32,512	31,074	27,471	30,841	31,138	33,316	31,533	27,261	24,134	352,337	

AGENDA ITEM IV-B-1: FY 2024-2025 Ridership Summary Report

TCRTA	ON-DEMAND													Comments
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	ANNUAL	
PARATRANSIT RIDERSHIP														
Dinuba	71	89	94	121	124	113	103	98	131	140	169	133	1,386	
Lindsay	33	68	38	40	56	50	46	55	54	59	53	73	625	
Tulare	220	360	366	483	400	376	381	302	374	390	426	361	4,439	
Woodlake	102	218	233	251	175	163	163	145	181	185	193	157	2,166	
County	97	43	63	88	65	82	93	77	72	104	102	86	972	
TOTAL RIDERSHIP	523	778	794	983	820	784	786	677	812	878	943	810	9,588	Service commingled with Microtransit
MICROTRANSIT RIDERSHIP														
Dinuba	239	285	268	364	312	340	327	293	338	359	352	312	3,789	
Exeter											13	7	20	
Farmersville	29	51	67	79	23	24	43	32	32	42	52	45	519	
Lindsay	49	70	87	87	97	62	83	106	116	85	77	71	990	
Tulare	160	361	357	517	506	421	511	516	488	566	618	555	5,576	
Woodlake	38	41	35	55	81	144	109	88	98	67	81	60	897	
County	163	202	237	307	253	230	225	267	333	322	351	330	3,220	
Visalia	123	366	488	663	395	200	256	254	289	279	296	297	3,906	
TOTAL RIDERSHIP	801	1,376	1,539	2,072	1,667	1,421	1,554	1,556	1,694	1,720	1,840	1,677	18,917	Service commingled with Paratransit
Rider Account Creations	420	423	369	314	276	226	236	247	261	216	264	252	3,504	

TCRTA	SERVICES PROVIDED BY VISALIA TRANSIT													Comments
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	ANNUAL	
FIXED ROUTE RIDERSHIP														
Exeter Boardings (Route 9)	734	72	733	907	698	934	984	750	654	648	750	608	8,472	
TOTAL EXETER RIDERSHIP	734	72	733	907	698	934	984	750	654	648	750	608	8,472	
Farmersville Boardings (Route 9)	487	121	688	895	887	831	1,134	589	640	647	696	498	8,113	
Farmersville Boardings (Route 12)	459	629	514	399	427	571	419	570	702	841	705	508	6,744	
TOTAL FARMERSVILLE RIDERSHIP	946	750	1,202	1,294	1,314	1,402	1,553	1,159	1,342	1,488	1,401	1,006	14,857	
48														
DIAL-A-RIDE RIDERSHIP														
Trips from Exeter	117	61	84	168	110	69	69	65	55	53	63	26	940	
Trips to Exeter	117	77	83	173	119	73	79	70	63	56	69	28	1,007	
TOTAL EXETER RIDERSHIP	234	138	167	341	229	142	148	135	118	109	132	54	1,947	
Trips from Farmersville	78	38	32	64	63	24	27	20	29	29	27	18	449	
Trips to Farmersville	74	36	29	67	64	23	29	20	27	29	22	14	434	
TOTAL FARMERSVILLE RIDERSHIP	152	74	61	131	127	47	56	40	56	58	49	32	883	

Tulare County Regional Transit Agency

AGENDA ITEM IV-C

April 20, 2026

Prepared by Juana Sierra-Perez, Finance Manager

SUBJECT:

Action: Receive and File the Preliminary Financial Statement as of March 31, 2026.

BACKGROUND:

The following Preliminary Financial Statement for March 31, 2026, provides you with the Revenues and Expenditures and compares them to the YTD budget.

DISCUSSION:

These financial Statements for March 31, 2026, are preliminary, as the Fiscal Year 2024-2025 is closing, and other accruals are pending.

RECOMMENDATION:

That the Tulare County Regional Transit Agency Board of Directors receive and file the Preliminary Financial Statement as of March 31, 2026.

FISCAL IMPACT:

None

ATTACHMENTS:

1. Preliminary Financial Statement for March 31, 2026

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County of Tulare

Report Name: Listing of Revenues vs Budget

Report ID: BA-A203

Fiscal Year: 2026 | Accounting Period: 9 | Fund(s): 793-793 | Department: All | Unit: All

Revenue, March 31, 2026

Report Date: 4/7/2026 | Report Time: 7:33 AM

RSRC DESCRIPTION CODE - DESCRIPTION	CURRENT PERIOD		YEAR TO DATE		CURRENT BUDGET	ADOPTED BUDGET
	COLLECTED REVENUE	RECOGNIZED REVENUE	COLLECTED REVENUE	RECOGNIZED REVENUE		

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 1000 - Tulare County				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
4079 - Measure R Local	877,500.00	877,500.00	877,500.00	877,500.00	0.00	0.00
4801 - Interest	0.00	0.00	124,615.04	124,615.04	1.00	1.00
5054 - State-Other	(7,026,366.11)	(7,026,366.11)	1,698,245.16	1,698,245.16	0.00	0.00
5096 - LCTOP	738,379.00	738,379.00	738,379.00	738,379.00	0.00	0.00
5256 - FTA	1,527,966.65	1,527,966.65	1,527,966.65	1,527,966.65	0.00	0.00
5700 - Fed-Other	6,287,987.11	6,287,987.11	(1,765,970.88)	(1,765,970.88)	0.00	0.00
5835 - Oth Revenue	(774,845.20)	(774,845.20)	105,696.87	105,696.87	0.00	0.00
5841 - O/L Warrants	13.91	13.91	2,855.37	2,855.37	1.00	1.00
5873 - Pub Trans	(16,577.71)	(16,577.71)	505,964.13	505,964.13	0.00	0.00
UNIT 1000 Totals:	1,614,057.65	1,614,057.65	3,815,251.34	3,815,251.34	2.00	2.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 2000 - City of Dinuba				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00



County of Tulare

Report Name: Listing of Revenues vs Budget
 Report ID: BA-A203

Fiscal Year: 2026 | Accounting Period: 9 | Fund(s): 793-793 | Department: All | Unit: All

Revenue, March 31, 2026

Report Date: 4/7/2026 | Report Time: 7:33 AM

RSRC DESCRIPTION CODE - DESCRIPTION	CURRENT PERIOD		YEAR TO DATE		CURRENT BUDGET	ADOPTED BUDGET
	COLLECTED REVENUE	RECOGNIZED REVENUE	COLLECTED REVENUE	RECOGNIZED REVENUE		

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 2000 - City of Dinuba				
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 2000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 3000 - City of Exeter				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 3000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 4000 - City of Farmers				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 4000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00



County of Tulare

Report Name: Listing of Revenues vs Budget
 Report ID: BA-A203

Fiscal Year: 2026 | Accounting Period: 9 | Fund(s): 793-793 | Department: All | Unit: All

Revenue, March 31, 2026

Report Date: 4/7/2026 | Report Time: 7:33 AM

RSRC DESCRIPTION CODE - DESCRIPTION	CURRENT PERIOD		YEAR TO DATE		CURRENT BUDGET	ADOPTED BUDGET
	COLLECTED REVENUE	RECOGNIZED REVENUE	COLLECTED REVENUE	RECOGNIZED REVENUE		

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 5000 - City of Wood				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 5000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 6000 - City of Tulare				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 6000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 7000 - Tule River Trib				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00



County of Tulare

Report Name: Listing of Revenues vs Budget
 Report ID: BA-A203

Fiscal Year: 2026 | Accounting Period: 9 | Fund(s): 793-793 | Department: All | Unit: All

Revenue, March 31, 2026
 Type text here

Report Date: 4/7/2026 | Report Time: 7:33 AM

RSRC DESCRIPTION CODE - DESCRIPTION	CURRENT PERIOD		YEAR TO DATE		CURRENT BUDGET	ADOPTED BUDGET
	COLLECTED REVENUE	RECOGNIZED REVENUE	COLLECTED REVENUE	RECOGNIZED REVENUE		

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 7000 - Tule River Trib				
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 7000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00

Fund: 793 - TCRTA JPA	Department: 793 - TCRTA JPA	Unit: 8000 - City of Lindsay				
4044 - Ltf-99260(A)	0.00	0.00	0.00	0.00	0.00	0.00
4049 - Sta-Transit	0.00	0.00	0.00	0.00	0.00	0.00
5096 - LCTOP	0.00	0.00	0.00	0.00	0.00	0.00
5256 - FTA	0.00	0.00	0.00	0.00	0.00	0.00
UNIT 8000 Totals:	0.00	0.00	0.00	0.00	0.00	0.00
DEPT 793 Totals:	1,614,057.65	1,614,057.65	3,815,251.34	3,815,251.34	2.00	2.00
FUND 793 Totals:	1,614,057.65	1,614,057.65	3,815,251.34	3,815,251.34	2.00	2.00
Report Totals:	1,614,057.65	1,614,057.65	3,815,251.34	3,815,251.34	2.00	2.00



County of Tulare

Report Name: Listing of Obligations and Budget
 Report ID: BA-A103
 Fiscal Year : 2026 | Accounting Period: 09 | Fund(s): 793 |
 Department: All | Unit: All | Activity: All

Expenditures, March 31, 2026

Report ID: BA-A103 | Report Date: 4/7/2026 | Report Time: 7:31 AM

Object Code - Description	Current Period			Year to Date			Current Budget	Adopted Budget	
	Encumbrances	Expenditures	Total Obligations	Encumbrances	Expenditures	Total Obligations			
Fund: 793 - TCRTA JPA		Department: 793 - TCRTA JPA			Unit: 1000 - Tulare County		Activity:		
Appropriation:		793 - Department Tota							
6000 Salaries	0.00	0.00	0.00	0.00	0.00	0.00	954,895.00	954,895.00	
6001 Alloc. Sal.	0.00	85,898.48	85,898.48	0.00	496,975.22	496,975.22	1.00	1.00	
6002 Overtime	0.00	0.00	0.00	0.00	50.79	50.79	0.00	0.00	
6003 Other Pay	0.00	2,585.75	2,585.75	0.00	15,381.06	15,381.06	1.00	1.00	
6004 Benefits	0.00	8,701.08	8,701.08	0.00	64,570.24	64,570.24	1.00	1.00	
6005 Extra Help	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	
6011 Retire-Co	0.00	11,918.81	11,918.81	0.00	74,369.44	74,369.44	1.00	1.00	
6012 Soc Sec	0.00	6,817.66	6,817.66	0.00	39,656.12	39,656.12	1.00	1.00	
6014 Pob	0.00	4,483.05	4,483.05	0.00	30,373.13	30,373.13	1.00	1.00	
7000 Services	0.00	0.00	0.00	13,631.15	211,272.24	224,903.39	850,000.00	850,000.00	
7005 Communicate	0.00	2,773.35	2,773.35	0.00	38,305.16	38,305.16	87,952.00	87,952.00	
7010 Insurance	0.00	0.00	0.00	0.00	0.00	0.00	34,439.00	34,439.00	
7021 Maint-Equip	0.00	57,232.50	57,232.50	0.00	73,586.50	73,586.50	943,438.00	943,438.00	
7024 Maint-Bld-Im	0.00	64.21	64.21	0.00	64.21	64.21	0.00	0.00	
7036 Office Expen	1,130.58	508.15	1,638.73	2,056.95	20,016.89	22,073.84	17,662.00	18,012.00	
7040 Courier	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7043 Prof & Spec	1,241.43	1,128,423.20	1,129,664.63	9,651.20	9,560,421.39	9,570,072.59	15,377,005.00	15,431,038.00	
7062 Rent-Bldg	0.00	15,510.00	15,510.00	0.00	71,178.00	71,178.00	72,058.00	72,058.00	
7066 Spc Dept Exp	(24,892.00)	81,785.21	56,893.21	3,718,119.02	633,554.54	4,351,673.56	4,565,815.00	4,804,625.00	
7073 Training	0.00	0.00	0.00	0.00	0.00	0.00	12,806.00	12,806.00	
7074 Trans & Trav	0.00	0.00	0.00	0.00	1,563.32	1,563.32	16,754.00	16,754.00	



County of Tulare

Report Name: Listing of Obligations and Budget
 Report ID: BA-A103
 Fiscal Year : 2026 | Accounting Period: 09 | Fund(s): 793 |
 Department: All | Unit: All | Activity: All

Expenditures, March 31, 2026

Report ID: BA-A103 | Report Date: 4/7/2026 | Report Time: 7:31 AM

Object Code - Description	Current Period			Year to Date			Current Budget	Adopted Budget
	Encumbrances	Expenditures	Total Obligations	Encumbrances	Expenditures	Total Obligations		
Fund: 793 - TCRTA JPA		Department: 793 - TCRTA JPA			Unit: 1000 - Tulare County		Activity:	
Appropriation:		793 - Department Total						
7081 Utilities	0.00	25,787.93	25,787.93	0.00	235,421.99	235,421.99	142,631.00	142,631.00
7106 Gas & Oil	0.00	0.00	0.00	0.00	0.00	0.00	292,843.00	0.00
7130 EE Appreciation	0.00	0.00	0.00	0.00	350.00	350.00	350.00	0.00
7421 Int-Late Pay	0.00	0.00	0.00	0.00	1,894.79	1,894.79	1.00	1.00
7720 ADMIN CNTY LS	0.00	0.00	0.00	0.00	0.00	0.00	53,130.00	53,130.00
APPR 793 Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00
ACTV Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00
UNIT 1000 Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00
DEPT 793 Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00
FUND 793 Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00
Report Totals:	(22,519.99)	1,432,489.38	1,409,969.39	3,743,458.32	11,569,005.03	15,312,463.35	23,421,786.00	23,421,786.00

Tulare County Regional Transit Agency

AGENDA ITEM

April 20, 2026

Prepared by Megan Flores, TCRTA Staff

SUBJECT:

Action: Authorization to Renew TCRTA - CNG Mechanical Service Agreement

BACKGROUND:

The Tulare County Regional Transit Agency (TCRTA) utilizes compressed natural gas (CNG) to fuel its transit fleet and requires ongoing maintenance of fueling infrastructure and associated equipment. TCRTA has negotiated a service agreement with CNG Mechanical to provide installation support, routine maintenance, inspection, and repair services for CNG-related equipment.

The proposed agreement covers the period from January 1, 2026, through December 30, 2026. Under this agreement, CNG Mechanical will perform scheduled maintenance services four times per month at the Central Yard.

Scope of services includes:

- Inspection of two Ariel gas compressors for leaks and wear components, including oil changes during each inspection.
- Inspection of all CNG system connections.
- Inspection of all 24 CNG slow-fill hoses, Pressure Reduction Valves (PRVs), and related equipment.
- Preparation of detailed service logs documenting inspections, maintenance performed, and any identified repair needs.

In addition to scheduled maintenance, CNG Mechanical will perform manufacturer-recommended maintenance based on equipment usage and operating hours.

For unscheduled repairs, CNG Mechanical will respond within two hours of notification and will make every effort to respond sooner. In emergency situations, response time is targeted within 30 minutes. Unscheduled repair services will be billed at \$140.00 per hour, plus materials, with mileage reimbursed at \$0.50 per mile.

DISCUSSION:

TCRTA's reliance on CNG fueling infrastructure makes regular inspection and maintenance critical to maintaining safe and reliable transit operations. Preventative maintenance reduces the likelihood of equipment failure, ensures compliance with applicable safety standards, and extends the useful life of critical assets. Failure to maintain this equipment could result in service disruptions, increased repair costs, and potential safety risks.

Continuing this agreement with CNG Mechanical provides operational continuity and access to a qualified vendor with demonstrated familiarity with TCRTA's systems. Their timely response to maintenance needs and emergencies minimizes downtime and supports uninterrupted transit service. This agreement represents a cost-effective approach to maintaining essential infrastructure and supports TCRTA's commitment to safe and dependable public transportation.

RECOMMENDATION:

Approve Resolution 2026-012 approving CNG Mechanical Agreement for Fiscal Year 2026-2027.

FISCAL IMPACT:

This project is included in the FY 2026-2027 Fiscal Approved Budget under 7043 Professional Services

ATTACHMENT:

1. TCRTA - CNG Service Agreement
2. Resolution 2026-012 Approving TCRTA-CNG Mechanical Service Agreement

**MAINTENANCE AGREEMENT BETWEEN
TULARE COUNTY REGIONAL TRANSIT AGENCY
AND CNG MECHANICAL**

This Agreement (“Agreement”) is made and entered into as of January 1, 2026 (“Effective Date”) between Hermenejildo Villalpando Jr., doing business as CNG Mechanical (“CNG Mechanical”) and Tulare County Regional Transit Agency, a Joint Powers Authority organized pursuant to Section 6500 *et seq.* of the Government Code of the State of California (“TCRTA”). CNG Mechanical and TCRTA are each a “Party” and together are the “Parties” to this Agreement.

WHEREAS, TCRTA owns and operates a facility located at 25430 Road 140, Tulare, California (“Central Yard”) upon which equipment associated with the fueling of its fleet of buses which operate on compressed natural gas (“CNG”) is located.

WHEREAS, CNG Mechanical is in the business of installing, maintaining, and repairing equipment and machinery associated with the use of compressed natural gases, including buses.

WHEREAS, TCRTA wishes to contract with CNG Mechanical to maintain and repair the compressed natural gas related equipment located at Central Yard.

NOW, THE PARTIES HEREBY AGREE as follows:

- a. TCRTA agrees to pay CNG Mechanical in the amount of \$1,900.00 per month for the Duration of this agreement.
- b. CNG Mechanical will provide the following services at regular intervals four times a month at Central Yard:
 1. Inspect two AREIL gas compressors for leaks and wear items. Each inspection will last approximately one hour. The oil for the compressors will be drained and replaced during each inspection.
 2. Inspect the connection on CNG connections.
 3. Inspect all 24 CNG slow fill hoses, as well as Pressure Reduction Valves (PRV) and related equipment.
 4. Make a Log Report of all items and service.
 5. Make a Log Report of all times needing repair and service.
- c. CNG Mechanical will perform additional checks on the equipment, including the crank cases, at Central Yard based on maintenance intervals recommended by equipment manufacturer relative to the hours of use of the compressor.
- d. In the event that additional repairs are needed outside of the regularly scheduled inspections, CNG Mechanical will respond to Central Yard for those repairs within two hours of notification by TCRTA staff and will strive to arrive as early as possible. In the event of repairs deemed to be an emergency, CNG Mechanical will strive to arrive within 30 minutes of notification of that emergency to begin working on the repair.

CNG Mechanical’s rate for responding to the Yard for repairs outside of the scheduled maintenance will be \$140.00 an hour, plus costs of materials. In addition, CNG Mechanical will be allowed fees for mileage in the amount of \$ 0.50 per mile for responding to Central Yard for those repairs.

- e. No Employment Contract Created. CNG Mechanical agrees that it is an independent contractor with the knowledge, expertise, and tools required to competently perform under this Agreement.
- f. Duration. This Agreement will commence on the Effective Date and will terminate December 31, 2026, unless earlier terminated by either Party on not less than 30 days’ advance written notice, or extended by mutual written agreement of the Parties.
- g. No Third-Party Beneficiaries Intended. Unless specifically set forth, the Parties to this Agreement do not intend to provide any other Party with any benefit or enforceable legal or equitable right or remedy.

The undersigned agree to the terms and conditions as set forth in this Agreement.

Date: _____

CNG MECHANICAL

By: _____

Name: Hermenejildo Villalpando Jr.

Title: Owner

Date: _____

**TULARE COUNTY REGIONAL
TRANSIT AGENCY**

By: _____

Name: Derek Winning

Title: Executive Director

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE TULARE COUNTY REGIONAL TRANSIT AGENCY APPROVING
THE FY26-27 CONTRACTED SERVICES AGREEMENT WITH CNG MECHANICAL,
INC IN THE AMOUNT OF \$22,800**

WHEREAS, the Tulare County Regional Transit Agency (TCRTA) operates and maintains compressed natural gas (CNG) fueling infrastructure essential to its transit operations and requires ongoing inspection, maintenance, and repair services; and

WHEREAS, CNG Mechanical, Inc. is qualified to provide these services, including routine and manufacturer-recommended maintenance, as well as timely response to repairs within two (2) hours and emergency response within thirty (30) minutes, at established hourly and mileage rates; and

WHEREAS, the agreement supports safe and reliable operations and is included in the FY 2026–2027 budget in an amount not to exceed \$22,800;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TULARE COUNTY REGIONAL TRANSIT AGENCY, that the Board hereby approves the FY 2026–2027 contracted services agreement with CNG Mechanical, Inc. in an amount not to exceed \$22,800; and

PASSED AND ADOPTED this 20TH day of April, 2026 by the Board of Directors of the Tulare County Regional Transit Agency

THE FOREGOING RESOLUTION was adopted upon motion of Reynosa and seconded by Martinez at meeting thereof held on the 20th day of April 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed _____
Larry Micari/Maribel Reynosa
Board Chair/Board Vice Chair

ATTEST:

I HEREBY CERTIFY that the foregoing Resolution 2026-012 was duly adopted by the Board of Directors of the Tulare County Regional Transit Agency at a regular meeting thereof held on the 20th day of April 2026.

Signed _____
Derek Winning
Executive Director

Tulare County Regional Transit Agency

AGENDA ITEM V.A

April 20, 2025

Prepared by: Juana Sierra-Perez, Finance Manager

SUBJECT:

Action: Accept TCRTA Fiscal Year 2024-2025 Audit Report

BACKGROUND:

Fiscal Year 2024-2025 Audit has been completed.

DISCUSSION:

The Tulare County Regional Transit Agency (TCRTA) audit was completed for the year ending June 30, 2025, and issued March 16, 2026. The audited financial statements of the governmental activities and the major funds of the Tulare County Regional Transit Agency (TCRTA) can be found attached.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States.

The TCRTA audit by Brown Armstrong Certified Public Accounts did not identify any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

During the audit for the fiscal year ended June 30, 2025, the auditors identified one area where internal controls and accounting procedures could be strengthened. Management acknowledges these findings and has developed corrective actions to address them

- **Finding 2025-001** – The audit identified that the Agency’s year-end closing process did not adequately capture and record necessary accruals, reclassifications, and adjustments in accordance with GAAP. As a result, multiple material audit adjustments were required, including corrections to unearned revenue, fixed asset activity (including prior period adjustments), and accounts payable and receivable balances. These issues were primarily attributed to staffing shortages and turnover, which limited the effectiveness of internal controls and review procedures over financial reporting.

- **Management Response:**

Management acknowledges the finding and agrees with the auditor’s recommendations. To address this issue, the Agency has implemented a formal year-end closing process that includes standardized closing checklists, defined cut-off procedures, and clearly assigned responsibilities for accrual entries. Supervisory review procedures have been strengthened to ensure revenues, expenses, and balance sheet accounts are properly recorded in the correct fiscal

period. Management is committed to improving internal controls and ensuring GAAP-compliant financial reporting moving forward.

- **No Federal Findings**

The audit findings identified opportunities to strengthen certain internal controls and accounting procedures within the Agency. Management appreciates the auditors' recommendations and recognizes the importance of addressing these matters to improve the accuracy and reliability of financial reporting. While the conditions identified were largely influenced by staffing turnover and limitations in existing systems, the Agency is taking proactive steps to strengthen processes moving forward. The Agency remains committed to maintaining strong financial management practices and will continue working to enhance internal controls, provide staff training, and implement systems that support accurate and timely financial reporting.

RECOMMENDATION:

That the Tulare County Regional Transit Agency Board of Directors accept the FY 2024-2025 Financial Audit

FISCAL IMPACT:

None

ATTACHMENT:

1. SA 114 Required Communication with the Board of Directors from Brown Armstrong CPA
2. Financial Audit Report FY 2024-2025
3. Resolution 2026-013 Accepting TCRTA FY 2024-2025 Fiscal Audit

Board of Directors
Tulare County Regional Transit Agency
Visalia, California

We have audited the financial statements of the business-type activities of the Tulare County Regional Transit Agency (the Agency) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 3, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. During the year ended June 30, 2025, the Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. This GASB Statement does not impact the financial statements or disclosures of the Agency as the Agency does not have the types of transactions covered by this standard. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:

Management's estimate of the useful lives of capital assets for the purpose of calculating annual depreciation expense. We evaluated the key factors and assumptions used to develop the estimate of the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the present value of lease payments for the purpose of calculating the right-to-use leased asset and lease liability. We evaluated the key factors and assumptions used to develop the estimate of the present value of lease payments in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were related to the estimated useful lives of capital assets and the present value of lease payments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. See attached schedule for adjusted journal entries detected as a result of our procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 12, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Pension Contributions, and Note to the Required Supplementary Information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Tulare County Regional Transit Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
March 12, 2026

Client:
Report:

TULARE COUNTY REGIONAL TRANSIT AGENCY
Journal Entry

Account	Description	Debit	Credit	Net Income Effect
1				
	To post auditor adjustments to unadjusted PBC			
	TB			
793-01-1600	Accounts Receivable	6,593,021.00	0.00	
793-01-1830	Accumulated Depreciation	0.00	335,442.00	
793-01-1835	Accumulated Depreciation Vehicles	0.00	3,478,203.00	
793-01-1840	Equipment	1,277,576.00	0.00	
793-01-1845	Vehicles	4,321,154.00	0.00	
793-01-1855	Accumulatd Depreciation Intagibles Software	0.00	26,307.00	
793-01-1871	Intangibles - Software	71,724.00	0.00	
793-01-2510.1	Compensated Absences	0.00	33,921.00	
793-01-2610	Advances - Other	0.00	1,474,975.00	
793-01-2805	Interest Payable	0.00	236,494.00	
793-01-2818	Long-Term Advances Payable	50,000.00	0.00	
793-02-2200	Accounts Payable	0.00	3,197,932.00	
793-02-2360	Due To Agency	3,077,279.00	0.00	
793-34-EE-1	Deferred Pension (Outflows)	41,000.00	0.00	
793-A-0476	Right-to-use Asset	594,350.00	0.00	
793-A-0486	Accumulated Amortization	0.00	87,999.00	
793-CC-BA	Unearned Revenue	0.00	5,455,310.00	
793-L-0649	Lease Liability - Curent	0.00	70,473.00	
793-L-0691	Lease Liability	0.00	426,236.00	
793-XX-3012	Reserve for Encumbrance FY 2023	0.00	1,202,812.00	
Total		16,026,104.00	16,026,104.00	0.00
2				
	To post adjustments to PPE accounts			
793-O-7402	Depreciation	629,268.00	0.00	
793-01-1855	Accumulatd Depreciation Intagibles Software	0.00	9,973.00	
793-01-1830	Accumulated Depreciation	0.00	225,381.00	
793-01-1835	Accumulated Depreciation Vehicles	0.00	393,914.00	
793-01-1830	Accumulated Depreciation	0.00	137,579.00	
793-01-1835	Accumulated Depreciation Vehicles	0.00	63,000.00	
793-01-1840	Equipment	481,528.00	0.00	
793-01-1845	Vehicles	252,000.00	0.00	
793-XX-3012	Reserve for Encumbrance FY 2023	0.00	532,949.00	
793-01-1840	Equipment	313,838.00	0.00	
793-O-7043	Professional & Specialized Exp	0.00	313,838.00	
Total		1,676,634.00	1,676,634.00	0.00
3				
	To reclass due to agency to net position			
793-02-2360	Due To Agency	5,196,946.00	0.00	
793-XX-3012	Reserve for Encumbrance FY 2023	0.00	5,196,946.00	
Total		5,196,946.00	5,196,946.00	0.00
4				
	To adjust AR balances			
793-R-5054	State-Other	1,270,621.00	0.00	
793-01-1600	Accounts Receivable	0.00	1,270,621.00	
793-R-5054	State-Other	988,500.00	0.00	
793-01-1600	Accounts Receivable	0.00	988,500.00	
793-R-5054	State-Other	947,371.00	0.00	
793-01-1600	Accounts Receivable	0.00	947,371.00	
793-R-5054	State-Other	991,292.00	0.00	
793-01-1600	Accounts Receivable	0.00	991,292.00	
793-R-5054	State-Other	1,615,678.00	0.00	
793-01-1600	Accounts Receivable	0.00	1,615,678.00	
Total		5,813,462.00	5,813,462.00	0.00
5				
	To reclassify state aid			
793-R-5700	Fed-Other	6,433,477.00	0.00	
793-R-5054	State-Other	0.00	6,433,447.00	
793-R-5873	Public Transit Passenger Fares	4,424,508.00	0.00	
793-R-5700	Fed-Other	0.00	4,424,508.00	
793-R-5054-4	STA Revenue	0.00	30.00	
Total		10,857,985.00	10,857,985.00	0.00

6

To post GASB 87 entries

793-E-0875	Amortization	75,518.00	0.00	
793-A-0486	Accumulated Amortization	0.00	75,518.00	
793-L-0649	Lease Liability - Curent	70,803.00	0.00	
793-O-7062	Rent & Lease-Building & Improv	0.00	70,803.00	
793-L-0691	Lease Liability	64,437.00	0.00	
793-L-0649	Lease Liability - Curent	0.00	64,437.00	
Total		210,758.00	210,758.00	0.00

7

To Adjust Compensated Absences and Pension

Contributions				
793-34-EE-1	Deferred Pension (Outflows)	45,791.00	0.00	
793-O-6011	Retirement-County Portion	0.00	45,791.00	
793-01-2510.1	Compensated Absences	33,921.00	0.00	
793-O-6001	Allocated Salaries	0.00	33,921.00	
Total		79,712.00	79,712.00	0.00

8

To adjust AP balances

793-O-7043	Professional & Specialized Exp	0.00	1,364,380.00	
793-O-7043	Professional & Specialized Exp	0.00	684,888.00	
793-O-7043	Professional & Specialized Exp	0.00	690,103.00	
793-O-7021	Maintenance-Equipment	0.00	258,090.00	
793-O-7043	Professional & Specialized Exp	0.00	236,981.00	
793-02-2200	Accounts Payable	3,234,442.00	0.00	
Total		3,234,442.00	3,234,442.00	0.00

9

To adjust advances payable balance and accrued interest

793-01-3088	Interest Expense	41,305.00	0.00	
793-01-2805	Interest Payable	0.00	41,305.00	
793-01-2818	Long-Term Advances Payable	1,609,089.00	0.00	
793-O-7043	Professional & Specialized Exp	0.00	1,609,089.00	
Total		1,650,394.00	1,650,394.00	0.00

10

To adjust unearned revenues

793-CC-BA	Unearned Revenue	313,838.00	0.00	
793-R-5054-6	LCTOP	0.00	313,838.00	
793-CC-BA	Unearned Revenue	0.00	47,377.00	
793-R-5873	Public Transit Passenger Fares	47,377.00	0.00	
Total		361,215.00	361,215.00	0.00

11

To reclass revenues for FS presentation purposes

793-R-5054	State-Other	2,312,807.00	0.00	
793-R-5054	State-Other	4,120,670.00	0.00	
793-R-5054-4	STA Revenue	0.00	6,433,477.00	
793-R-5054-4	STA Revenue	145,490.00	0.00	
793-R-5700	Fed-Other	0.00	145,490.00	
793-R-5835-3	Measure R	64,966.00	0.00	
793-R-5835	Other Revenue	0.00	64,966.00	
793-R-5700	Fed-Other	583,012.00	0.00	
793-R-5700	Fed-Other	2,241,000.00	0.00	
793-R-5700	Fed-Other	1,000,000.00	0.00	
793-01-1600	Accounts Receivable	0.00	3,824,012.00	
793-R-5700	Fed-Other	220,537.00	0.00	
793-01-1600	Accounts Receivable	0.00	220,537.00	
Total		10,688,482.00	10,688,482.00	0.00

12

To Reclass SGR Fund From Unearned
Revenue to Earned Revenue.

793-CC-BA
793-R-5054-5

Unearned Revenue
SGR Revenue

489,890.00 0.00
0.00 489,890.00

Total

489,890.00 489,890.00 0.00

13

To Adjust Interest Expense Posted To
Advances

793-01-3088
793-01-2818

Interest Expense
Long-Term Advances Payable

9,089.00 0.00
0.00 9,089.00

Total

9,089.00 9,089.00 0.00

GRAND TOTAL

56,295,113.00 56,295,113.00 0.00

TULARE COUNTY REGIONAL TRANSIT AGENCY

BASIC FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2025**

**TULARE COUNTY REGIONAL TRANSIT AGENCY
BASIC FINANCIAL STATEMENTS
JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tulare County Regional Transit Agency
Visalia, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Tulare County Regional Transit Agency (the Agency) as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Agency, as of June 30, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Agency's Proportionate Share of the Net Pension Liability, Schedule of the Agency's Pension Contributions, and Note to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

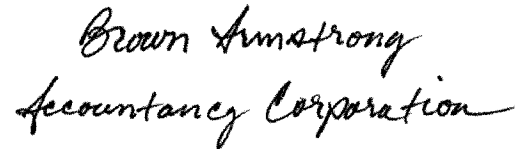
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2026, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Handwritten signature in cursive script that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
March 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TULARE COUNTY REGIONAL TRANSIT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025**

This section of the Tulare County Regional Transit Agency's (Agency) annual financial report presents our discussion and analysis of the Agency's financial performance during the year ended June 30, 2025. It should be read in conjunction with the basic financial statements.

The Agency serves as the countywide transportation planning agency for the incorporated and unincorporated areas within Tulare County (the County) and is responsible for programming State and Federal funding for transportation projects within the County. The Agency is responsible for coordinating short and long-term planning and funding within an intermodal policy framework including highways, streets and roads, transit and paratransit, and bicycle and pedestrian network improvements. The Agency also provides fixed route and on-demand transit services in the County.

The Agency was established on August 11, 2020, as the County's regional transit agency, under a joint exercise of power. The Agency is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. The Agency is not subject to income tax.

Financial Highlights

- At the close of the fiscal year 2024-2025, total assets exceeded total liabilities of the Agency by \$5,305,597. Of this amount, \$2,052,948 is the net investment in capital assets, \$4,626,557 is restricted net position, and \$(1,373,908) represents unrestricted net position.
- The Agency continued to improve operation performance, compliance, and accountability during fiscal year 2024-2025 by making investments in professional management, fiscal controls, and accounting.

Overview of the Basic Financial Statements

- This analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency accounts for expenses in only one fund (Enterprise Fund); therefore, the basic financial statements do not reflect the activities of multiple funds.
- The Agency's basic financial statements consist of the Statement of Net Position, Statement of Activities and Changes in Net Position, and Statement of Cash Flows.
- The Statement of Net Position presents complete information on the Agency's assets, deferred outflows of resources, liabilities, and the difference reported as net position. Changes in net position that occur over time may serve as an indicator of the Agency's financial position.
- Accompanying the financial statements are the Notes to the Basic Financial Statements. These notes provide information on significant accounting policies, cash and investments, capital assets, advances, and other significant events in other areas which resulted in the financial performance reflected in those statements.

Financial Analysis of the Agency

Net Position

In the current year, the business-type activities net position decreased by \$1,627,111 primarily due to expansion of transit operations.

The following schedule is a summary of the Agency's Statements of Net Position.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Current and Other Assets	\$ 14,409,783	\$ 21,955,015
Capital Assets, Net of Accumulated Depreciation/Amortization	<u>2,478,854</u>	<u>2,869,802</u>
Total Assets	<u>16,888,637</u>	<u>24,824,817</u>
Deferred Outflows of Resources - Pension	<u>86,791</u>	<u>41,000</u>
Total Deferred Outflows of Resources	<u>86,791</u>	<u>41,000</u>
Current Liabilities	6,432,825	11,022,952
Noncurrent Liabilities	<u>5,237,006</u>	<u>6,910,157</u>
Total Liabilities	<u>11,669,831</u>	<u>17,933,109</u>
Net Position:		
Net Investment in Capital Assets	2,052,948	2,373,093
Restricted	4,626,557	5,430,285
Unrestricted	<u>(1,373,908)</u>	<u>(870,670)</u>
Total Net Position	<u>\$ 5,305,597</u>	<u>\$ 6,932,708</u>

Changes in Net Position

A summary of the Agency's Statements of Activities and Changes in Net Position recapping the Agency's revenues earned during the years ended June 30, 2025 and 2024, and the expenses incurred are as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Operating Revenues	\$ 986,335	\$ 1,163,441
Operating Expenses	<u>17,824,045</u>	<u>19,646,319</u>
Operating Loss	<u>(16,837,710)</u>	<u>(18,482,878)</u>
Nonoperating Revenues and Expenses, Net	<u>14,720,709</u>	<u>21,627,528</u>
Capital Funds	<u>489,890</u>	<u>681,875</u>
Change in Net Position	(1,627,111)	3,826,525
Net Position - Beginning, as Restated	6,932,708	2,573,234
Error Correction (See Note 10)	<u>-</u>	<u>532,949</u>
Net Position - Ending, as Restated	<u>\$ 5,305,597</u>	<u>\$ 6,932,708</u>

Transit operating expenses are supported by a variety of funding sources which include:

- Transportation Development Act (TDA) funds
- Federal Transit Administration (FTA) funds
- Fare revenues collected
- Measure R funds
- Various grants and contributions

Budgetary Highlights

The Agency adopts a biannual operating budget that includes proposed expenditures and the means of financing them. The Agency's budget is adopted by the Board of Directors before June 30th of each even-numbered fiscal year. Subsequent increases to the original budget must be approved by the Board of Directors.

Capital Assets

The business-type activity financial statements include capital assets, net of accumulated depreciation/amortization of \$2,478,854 in the fiscal year 2024-2025. Capital assets in total are predominantly made up of fareboxes, vehicles, other transit related equipment, and right-to-use leased assets. Major additions included purchases of transit related equipment in fiscal year 2024-2025.

For additional information on the Agency's capital assets and capital asset activity, please refer to Note 3 in the Notes to the Basic Financial Statements.

Debt Administration

As of June 30, 2025, the Agency recorded long-term obligations for compensated absences in the amount of \$25,207, advances from other governments in the amount of \$4,850,000, and leases in the amount of \$425,906. For additional information on the Agency's lease liability activity and advances from other governments, please refer to Notes 5 and 6, respectively, in the Notes to the Basic Financial Statements.

Contacting the Agency

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. For questions about this report or any additional information needed, contact the Agency's administrative office at 200 E. Center Ave, Visalia, California 93291.

BASIC FINANCIAL STATEMENTS

**TULARE COUNTY REGIONAL TRANSIT AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2025**

	2025
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 3,555,572
Due from Other Governments	10,854,211
Total Current Assets	14,409,783
Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation/Amortization	2,478,854
Total Noncurrent Assets	2,478,854
Total Assets	16,888,637
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension	86,791
LIABILITIES	
Current Liabilities	
Accounts Payable	1,362,803
Accrued Salaries	29,157
Interest Payable	277,799
Unearned Revenue	4,698,959
Lease Liability	64,107
Total Current Liabilities	6,432,825
Noncurrent Liabilities	
Compensated Absences	25,207
Advances from Other Governments	4,850,000
Lease Liability	361,799
Total Noncurrent Liabilities	5,237,006
Total Liabilities	11,669,831
NET POSITION	
Net Investment in Capital Assets	2,052,948
Restricted	4,626,557
Unrestricted	(1,373,908)
Total Net Position	\$ 5,305,597

The accompanying notes are an integral part of these basic financial statements.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025**

	2025
OPERATING REVENUES	
Passenger Fares	\$ 921,369
Miscellaneous Revenue	64,966
	986,335
OPERATING EXPENSES	
Salaries and Benefits	746,593
Communications	23,419
Professional and Specialized Expense	14,606,643
Special Departmental Expense	975,648
Depreciation/Amortization	704,786
Rent and Leases	6,551
Maintenance	234,885
Insurance	3,751
Utilities	480,099
Office Expense	41,670
	17,824,045
Total Operating Expenses	17,824,045
Operating Loss	(16,837,710)
NONOPERATING REVENUES AND EXPENSES	
Federal	7,019,942
Measure R	877,500
State Transit Assistance (STA)	6,288,017
Low Carbon Transit Operations Program (LCTOP)	313,838
Interest Income	272,878
Interest Expense	(51,466)
	14,720,709
Total Nonoperating Revenues and Expenses	14,720,709
Income Before Capital Funds	(2,117,001)
Capital Funds	
State of Good Repair (SGR)	489,890
Change in Net Position	(1,627,111)
Net Position - Beginning, as previously stated	6,399,759
Error Correction	532,949
Net Position - Beginning (as Restated)	6,932,708
Net Position - Ending	\$ 5,305,597

The accompanying notes are an integral part of these basic financial statements.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	2025
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 986,335
Payments for operating goods and services	(20,241,357)
Payments to employees for salaries and benefits	(801,122)
	(20,056,144)
Net cash used in operating activities	(20,056,144)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	272,878
	272,878
Net cash provided by investing activities	272,878
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental	11,135,204
Advances from other governments	(1,600,000)
Interest paid	(10,161)
	9,525,043
Net cash provided by noncapital financing activities	9,525,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental	489,890
Additions to capital assets	(313,838)
Payments made on leases	(70,803)
	105,249
Net cash used in capital and related financing activities	105,249
Net Decrease provided by Cash and Cash Equivalents	(10,152,974)
Cash and Cash Equivalents, Beginning of Year	13,708,546
Cash and Cash Equivalents, End of Year	\$ 3,555,572
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	\$ (16,837,710)
Adjustments to reconcile to net cash used in operating activities:	
Depreciation/Amortization	704,786
(Increase) in deferred outflows - pension	(45,791)
(Decrease) in accounts payable	(3,868,691)
(Decrease) in accrued salaries	(24)
(Decrease) in compensated absences	(8,714)
	(20,056,144)
Net cash used in operating activities	\$ (20,056,144)

The accompanying notes are an integral part of these basic financial statements.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Tulare County Regional Transit Agency (the Agency) was formed on August 11, 2020, under a Joint Powers Agreement, by and among the County of Tulare and the Cities of Exeter, Farmersville, Lindsay, Porterville, Tulare, and Woodlake to own, operate, and administer a public transportation system within the jurisdiction of the Member Agencies pursuant to Section 6500 *et seq.* of the Government Code of the State of California.

The Board of Directors (the Board) is made up of elected officials from the respective member agencies. Each member agency has one regular Director and one alternate Director to the Board, Tulare County Association of Governments Board members sitting as the Public Transit Representative, and Calvans Executive Director or his/her designee shall sit as a non-voting, ex-officio member of the Board.

The Agency was formed to serve as the countywide transit agency to set levels of service based on appropriate criteria, Title VI compliance, and any other criteria deemed appropriate by the Agency and/or required by law. Unmet transit needs found reasonable to meet will also be implemented as required.

B. Basis of Presentation

The basic financial statements of the Agency are prepared in accordance with accounting principles generally accepted in the United States of America.

The Agency accounts for transactions in only one fund, an Enterprise Fund. The Statement of Net Position, Statement of Activities and Changes in Net Position, and Statement of Cash Flows display the financial activities of the Agency.

Enterprise funds are categorized as proprietary funds, which distinguish operating revenues and expenses from nonoperating items. Proprietary fund *operating* revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues generally result from charges to passengers for public transit services. Operating expenses include the cost of transit service, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

The Statement of Activities and Changes in Net Position demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes and unrestricted interest earnings, are presented instead as general revenues.

When both restricted and unrestricted net position are available, resources restricted for the purpose intended are used first then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the Agency gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied.

D. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Receivables

The Agency's receivables are mostly related to amounts due from other governments. Management has determined the Agency's receivables to be fully collectable. Accordingly, no allowance for doubtful accounts has been made.

F. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The Agency defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated/amortized using the straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

Software	3 years
Machinery and Equipment	5-7 years
Buildings and Structures	20 years
Furniture and Fixtures	7 years
Right-to-Use Leased Asset	3-10 years

G. Leases

The Agency is a lessee for a noncancellable building lease. The Agency recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the business-type activities financial statements. The Agency recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Agency determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Leases (Continued)

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with current and long-term debt on the Statement of Net Position.

H. Advances

Advances arise when resources are received by the Agency before it has a legal claim to them, e.g., when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Agency has a legal claim to the resources, the liability is removed from the Statement of Net Position and revenue is recognized.

I. Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the basic financial statements and the reported amount of revenue and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

J. Net Position

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation/amortization and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the asset.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

K. Implemented Accounting Pronouncements

During the year ended June 30, 2025, the Agency implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The implementation of this standard has been reflected in the Agency’s accounting records.

GASB Statement No. 102 – *Certain Risk Disclosures*. The statement is effective for periods beginning after June 15, 2024. There was no effect on the Agency’s accounting and financial reporting as a result of implementing this standard.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Future Accounting Pronouncements

GASB Statement No. 103 – Financial Reporting Model Improvements. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Agency will implement this statement when and where applicable.

GASB Statement No. 104 – Disclosure of Certain Capital Assets. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The Agency will implement this statement when and where applicable.

GASB Statement No. 105 – Subsequent Events. The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY

As of June 30, 2025, cash totaling \$3,555,572 is included within the Tulare County Treasurer's cash and investment pool, which is recorded at cost, which approximates fair value. Interest earnings from this pool are allocated to the Agency on the basis of monthly cash balances and are transferred to the Agency quarterly.

Cash and investments as of June 30, 2025, are reported in the accompanying basic financial statements as follows:

Deposits in County of Tulare Treasury Pool	<u>\$ 3,555,572</u>
Total	<u><u>\$ 3,555,572</u></u>

Cash with the County of Tulare is deposited with the County of Tulare Treasury Investment Pool, an external investment pool investing in savings accounts and short-term investments. The County of Tulare Board of Supervisors has established a Tulare County Treasury Investment Policy and an Oversight Committee to monitor the investment policy.

The Agency operates under the County of Tulare's formal investment policy, which allows the Agency funds to be invested in various items, including banks and savings and loan associations fully insured by the Federal Deposit Insurance Corporation and the County of Tulare Investment Pool. The investment policy does not contain any specific provisions intended to limit the Agency's exposure to interest rate risk, credit risk, and concentration risk.

NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
County of Tulare Investment Pool	\$ 3,555,572	\$ 3,555,572	\$ -	\$ -	\$ -
Total Investments	\$ 3,555,572	\$ 3,555,572	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the Agency's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
County of Tulare Investment Pool	\$ 3,555,572	N/A	\$ -	\$ -	\$ -	\$ 3,555,572
Total Investments	\$ 3,555,572	N/A	\$ -	\$ -	\$ -	\$ 3,555,572

Additional information regarding deposit custodial credit, interest and credit risks of the County of Tulare Treasurer's cash and investment pool can be found in the notes to Tulare County's Annual Comprehensive Financial Report (ACFR). The ACFR may be obtained by contacting the County of Tulare Auditor-Controller's office at 221 S Mooney Blvd #104E, Visalia, California 93291 or <https://tularecounty.ca.gov/auditorcontroller/auditor-controller/financial-reports1/annual-comprehensive-financial-report/>.

Fair Value Measurements

The Agency categorizes its fair value measurements within the framework established by GASB Statement No. 72, *Fair Value Measurement and Application*. That framework provides a three-tiered fair value hierarchy as follows:

- Level 1 – reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 – reflect inputs that are based on a similar observable asset either directly or indirectly.
- Level 3 – reflect unobservable inputs.

NOTE 2 – CASH AND INVESTMENTS IN COUNTY TREASURY (Continued)

Fair Value Measurements (Continued)

The following is a summary of the fair value of the Agency's investments using the hierarchy:

<u>Investments Not Subject to the Fair Value Hierarchy</u>	
Investments Measured at Amortized Cost:	
County of Tulare Investment Pool	<u>\$ 3,555,572</u>
Grand Total Investments	<u><u>\$ 3,555,572</u></u>

County of Tulare Treasury Pool Income and Participant Withdrawals

County of Tulare Treasury Pool investments are accounted for in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair value in the balance sheet or the statement of net position and recognize the corresponding change in value of investments in the year in which the change occurred. The value of the participant's shares in the County of Tulare Treasury Pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair value of the participant's position in the County of Tulare Treasury Pool. The fair value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, County of Tulare management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County of Tulare from having to sell investments below original cost for that purpose.

For the year ended June 30, 2025, the County of Tulare Treasury Pool investment income was comprised of the following (in thousands):

Investment Income (in thousands)	<u>Amount</u>
Interest and Dividends	\$ 122,732
Net Increase in the Fair Value of Investments	65,213
Less: Investment Expenses	<u>(1,393)</u>
Total County of Tulare Treasury Pool Income	<u><u>\$ 186,552</u></u>

The net increase in the fair value of investments during the year 2024-2025 was \$65,213. This amount takes into account all changes in fair value (including sales resulting in a net loss of \$1,424) that occurred during the year. In accordance with GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2025, was an increase of \$66,636.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance June 30, 2024 (as restated)	Additions	Deletions	Balance June 30, 2025
Capital Assets Being Depreciated/Amortized				
Software License	\$ 71,724	\$ -	\$ -	\$ 71,724
Machinery and Equipment	1,759,104	313,838	-	2,072,942
Vehicles	4,573,154	-	-	4,573,154
Right-to-Use Leased Assets	594,350	-	-	594,350
Total Capital Assets Being Depreciated/Amortized	6,998,332	313,838	-	7,312,170
Less Accumulated Depreciation/Amortization for:				
Software License	(26,308)	(9,973)	-	(36,281)
Machinery and Equipment	(473,021)	(225,381)	-	(698,402)
Vehicles	(3,541,202)	(393,914)	-	(3,935,116)
Right-to-Use Leased Assets	(87,999)	(75,518)	-	(163,517)
Total Accumulated Depreciation/Amortization	(4,128,530)	(704,786)	-	(4,833,316)
Total Capital Assets Being Depreciated/Amortized, Net	2,869,802	(390,948)	-	2,478,854
Total Capital Assets, Net	\$ 2,869,802	\$ (390,948)	\$ -	\$ 2,478,854

Depreciation/Amortization expense for the year ended June 30, 2025, was \$704,786.

NOTE 4 – UNEARNED REVENUE

Local Transportation Fund (LTF) and State of Good Repair (SGR) funds are administered by the Tulare County Association of Governments, which allocates funds to the Agency to fund transit operations. The Transportation Development Act (TDA) requires that any funds not used be returned to their source. Allocations are considered earned when they are properly spent for eligible projects. Allocations received but not earned are recorded as unearned revenue.

On April 28, 2017, the Governor signed the Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), which includes a program that will provide additional revenues for transit infrastructure repair and service improvements, known as the State of Good Repair (SGR) Program. This program receives funding of approximately \$105 million annually. SGR funds are to be made available for eligible transit maintenance, rehabilitation, and capital projects.

Other unearned revenue amounts consist of Advance T-Pass Sales and various Low Carbon Transit Operations Program (LCTOP) projects. Unearned revenue for the Agency for the year ended June 30, 2025, is summarized below:

	Operating			Capital		Total
	Advance T-Pass Sales	LCTOP	Local Transportation Fund	State of Good Repair	LCTOP	
Capital and Operating Assistance						
Excess funds at June 30, 2024	\$ 25,025	\$ 30,731	\$ 2,561,730	\$ 489,890	\$ 2,347,934	\$ 5,455,310
Allocations received	69,650	-	-	-	-	69,650
Interest accrued	2,752	-	-	-	-	2,752
Funds available	97,427	30,731	2,561,730	489,890	2,347,934	5,527,712
Less:						
Eligible costs	(25,025)	-	-	(489,890)	(313,838)	(828,753)
Excess funds at June 30, 2025	\$ 72,402	\$ 30,731	\$ 2,561,730	\$ -	\$ 2,034,096	\$ 4,698,959

NOTE 5 – LEASES

On October 4, 2021, the Agency entered into a 50-month lease. The lease is for use of office space at 210 North Church Street, Suite B in the City of Visalia. An initial lease liability was recorded in the amount of \$45,908. As of June 30, 2025, the value of the lease liability is \$3,856. The Agency is required to make monthly payments of \$936. The value of the right-to-use asset net of accumulated amortization as of June 30, 2025, is \$7,837.

On July 1, 2021, the Agency entered into a 24-month building lease as lessee with an option to renew for an additional 12 months for a total lease term of 36 months. The lease is for use of office space at 360 North K Street in the City of Tulare. An initial lease liability was recorded in the amount of \$60,480. The Agency subsequently exercised its renewal option and extended the lease for an additional 24 months, resulting in a revised right-of-use asset of \$100,800. As of June 30, 2025, the value of the lease liability is \$20,160. The Agency is required to make monthly payments of \$1,680. The value of the right-to-use asset net of accumulated amortization as of June 30, 2025, is \$26,626.

On February 28, 2024, the Agency entered into an 84-month building lease as lessee with an option to renew for an additional 36 months for a total lease term of 120 months. The lease is for use of office space at 200 E Center Street in the City of Visalia. An initial lease liability was recorded in the amount of \$447,642. As of June 30, 2025, the value of the lease liability is \$401,890. The Agency is required to make monthly payments of \$3,254. The value of the right-to-use asset net of accumulated amortization as of June 30, 2025, is \$396,370.

The future principal lease payments are as follows:

<u>Year Ended</u>	<u>Principal Payments</u>
2026	\$ 64,107
2027	41,633
2028	42,882
2029	44,169
2030	45,494
2031-2034	<u>187,621</u>
	<u>\$ 425,906</u>

NOTE 6 – ADVANCES FROM OTHER GOVERNMENT AGENCIES

The Agency received an advance of \$1,500,000 from the City of Tulare based on a fiscal year 2021-2022 audit which would determine how much should be disbursed to the Agency as a cash balance belonging to transit operations. The City of Tulare and the Agency are still in the process of finalizing the cash balance; until this amount is determined, management found it prudent to classify this amount as a liability to the City of Tulare until it is determined otherwise.

The Agency entered into an agreement with five member agencies obtaining cash advances pursuant to executed agreements between each of the member agencies and the Agency. The amounts listed below represent the proportionate share of each member agency's share of the Agency's budget, which was the basis in determining the amount of the advance. The advances are due to be repaid December 31, 2027, with interest accrued based upon the Annualized Rate for the year and paid annually. During the year 2024-2025, interest was paid as accrued.

NOTE 6 – ADVANCES FROM OTHER GOVERNMENT AGENCIES (Continued)

<u>Member Agency</u>	<u>Advance Amount</u>	<u>% Share</u>
County of Tulare	\$ 1,500,000	45%
City of Tulare	1,500,000	45%
City of Dinuba	<u>350,000</u>	10%
Total	<u>\$ 3,350,000</u>	

NOTE 7 – RELATED PARTY TRANSACTIONS

Tulare County Association of Governments provided administrative services at a cost of \$49,281.

County of Tulare Legal Counsel provided services at a cost of \$25,115.

NOTE 8 – FAREBOX RATIO

Article 4

Article 4 transit operations include transit activities. The farebox ratio requirement is 20%. The farebox ratio for the year ended June 30, 2025, was 10.51% as follows:

	<u>June 30, 2025</u>
<u>Article 4</u>	<u>Total Article 4 Services</u>
Fares	\$ 921,369
Auxiliary Transportation Revenues	-
Local Funds Used for Transit	<u>877,500</u>
	<u>\$ 1,798,869</u>
Operating Cost, Net of Depreciation and Amortization	<u>\$ 17,119,259</u>
Farebox Ratio	<u>10.51% *</u>

*Penalty is not imposed for the year 2024-2025 due to the amendment to Section 99268.9(c)(1) of the Public Utilities Code (PUC). The amendment is applicable through year 2025-2026.

Farebox revenue and operating cost used for the farebox ratio calculation will not agree to the Statement of Activities and Changes in Net Position (see page 8). Local funds revenue used to assist in paying the cost of operating transit services is eligible as farebox revenue. Measure R revenue is included in the calculation above as local funds revenue.

TDA statutes allow the inclusion of local funds to calculate statutory farebox ratio. California PUC Section 99268.19 states that: "If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator."

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM

The Agency has its payroll and benefits through the County of Tulare. Employee pension obligations transferred to the Agency from the County of Tulare during the year ended June 30, 2025. Following is the note from the Tulare County Annual Comprehensive Financial Report (ACFR) for the Employee Retirement System.

Plan Description

The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945, under the provisions of the County Employees Retirement Act of 1937 (Government Code Sections 31450 et seq.). TCERA operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability, and death benefits for qualified employees of the County of Tulare, the County of Tulare Courts, the Strathmore Public Utility District, and Tulare County Association of Governments. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate ACFR. Copies of the annual financial report may be obtained from TCERA, 136 North Akers Street, Visalia, California 93291, or from TCERA's website at <http://www.tcera.org/news-publications/financial-reports>.

Funding Policy

TCERA oversees four County of Tulare pension plans, which provide retirement, disability, and death benefits. The passage of the California Public Employees' Act of 2012 resulted in the establishment of Tier 4 which has two rate tiers for both general and safety members. The Public Employees' Act created limits on pensionable compensation tied to Social Security Taxable wage base. The aggregate effect of the Public Employees' Act will ultimately decrease the Agency's retirement cost. The eligibility of membership for the four tiers is as follows:

Summary of Plans and Eligible Participants

Open for New Enrollment:

- General Tier 4 General members who have a membership date on or after January 1, 2013, may continue in plan.
- Safety Tier 4 Safety members who have a membership date on or after January 1, 2013, may continue in plan.

Closed to New Enrollment:

- General Tier 3 General members who have a membership date on or between January 1, 1990, through December 31, 2012, may continue in plan.
- Safety Tier 3 Safety members who have a membership date on or between January 1, 1990, through December 31, 2012, may continue in plan.
- General Tier 2 General members who have a membership date on or between January 1, 1980, through December 31, 1989, may continue in plan.
- Safety Tier 2 Safety members who have a membership date on or between January 1, 1980, through December 31, 1989, may continue in plan.
- General Tier 1 General members who have a membership date on or before December 31, 1979, may continue in plan.
- Safety Tier 1 Safety members who have a membership date on or before December 31, 1979, may continue in plan.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Summary of Plans and Eligible Participants (Continued)

Closed to New Enrollment: (Continued)

Tier 1 - Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living increase annually after retirement. Tier 1 general members with service earned on or after July 1, 2005, are now subject to Internal Revenue Service (IRS) Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 - Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2% cost-of-living increase annually after retirement. Tier 2 general members with service earned on or after July 1, 2005, are now subject to IRS Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 - Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% cost-of-living increase annually after retirement. All employees who joined TCERA on or after January 1, 1990, are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 - Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% cost-of-living increase annually after retirement. All employees who joined TCERA on or after January 1, 1990, are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Benefits Provided

Tiers 1, 2, and 3

The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement. Due to the fact that TCERA is integrated with Social Security, the benefit is reduced by 1/3 of the percentage multiplied by the first \$350 of monthly final average salary, per year of service credited after January 1, 1956. Benefits partially vest at five years of service and full vesting requires ten years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. General members with 30 years of service and safety members with 20 years of service are eligible for retirement benefits at any age. Members who reach age 70, regardless of years of service, are eligible for retirement benefits.

Tier 4

The benefit is a percentage of monthly final average salary per year of service, depending on the age at retirement. Benefits fully vest at five years of service and a minimum age of 52 for general members and 50 for safety members.

Disability Benefit

Service related disability benefits are based upon the greater amount of 50% of final average salary, or service retirement benefit, if the member is eligible.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

Disability Benefit (Continued)

For a non-service connected disability, in accordance with Section 31727.7, in lieu of any other allowance, a member who has five years or more of credited service shall receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years in the following table:

<u>Years of Service</u>	<u>Percentage of Final Compensation</u>
Five years, but less than six years	20%
Six years, but less than seven years	22%
Seven years, but less than eight years	24%
Eight years, but less than nine years	26%
Nine years, but less than ten years	28%
Ten years, but less than eleven years	30%
Eleven years, but less than twelve years	32%
Twelve years, but less than thirteen years	34%
Thirteen years, but less than fourteen years	36%
Fourteen years, but less than fifteen years	38%
Fifteen or more years	40%

Termination Benefit

Upon termination, members' accumulated contributions are refundable with interest accrued through the prior interest crediting period (June 30 and December 31).

Death Benefit

If a member dies before retirement, the return of contributions, with interest, is payable as a death benefit to the member's beneficiary or estate in the amount of one month's salary for each completed year of service under the retirement system, but not to exceed six (6) months' salary. In lieu of the basic death benefit, if a member dies after becoming eligible for service retirement or non-service connected disability, an eligible spouse or minor child may elect to receive 60% of the allowance that the member would have received for retirement as of the day of their death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50% of the member's final average salary.

If the member dies after retirement then the benefits depend upon the type of retirement, the member's employment status at retirement, and the retirement option selected. If the retirement was for service connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service connected disability, and the unmodified option was selected at the time of retirement, 60% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of \$5,000 is paid to the beneficiary or estate.

Specific details for the retirement benefit calculations for each tier, including benefit factors, can be found in TCERA's ACFR, which is available online at TCERA's website at <http://www.tcera.org/news-publications/financial-reports>.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by TCERA's Board of Retirement.

Member - The basic member rates are based on a formula reflecting the member's age of entry into TCERA. The rates are set to provide a retirement amount that is equal to a fractional part of the highest year's salary, based on membership and tier. For members integrated with Social Security (Tiers 1 – 3), the contributions are reduced by one-third of such contribution payable with respect to the first three hundred and fifty dollars of monthly salary. Due to a collective bargaining agreement, the Agency has a legal obligation to contribute 50% of the contributions required for active Tier 1 plan members. The rates reflected for Tier 1 members do not reflect the Agency "pickup." Employees contribute 5% to 20% of their annual pay based on their date of entrance into the plan, age at entry, and membership type (General or Safety).

Employer - The employer rates are actuarially determined annually to provide for the balance of the contributions needed to fund the promised benefits as set forth in the County Employees' Retirement Act of 1937. Employer contribution rates consist of two components: the normal cost and the Unfunded Actuarial Liability (UAL). The UAL is being amortized over a declining 19-year period. The amortization method is level percentage of payroll. Contribution levels are recommended by the actuary and adopted by the Board of Retirement each year. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of members. The Agency's contributions to the plan for the year ended June 30, 2025, were \$86,791.

Net Pension Liability

On June 30, 2025, the Agency did not report a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2024 and 2023, the Agency did not have a proportion.

For the year ended June 30, 2025, the Agency did not recognize pension expense. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2025, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Agency contributions subsequent to the measurement date	\$ 86,791	\$ -
	<u>\$ 86,791</u>	<u>\$ -</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The deferred outflows of resources in the amount of \$86,791 related to pensions resulting from Agency contributions subsequent to the actuary measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions

The total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of employee service. A summary of the significant actuarial assumptions used to calculate the total pension liability measured as of June 30, 2024, is provided below. (Note: These assumptions may differ from those used and reported in TCERA's ACFR due to different reporting requirements.)

Inflation	2.75%
Expected Return on Assets	7.15% net of investment expenses
Salary Increases	3.0% plus promotion component based on employee classification and years of service, ranging from 0.5% to 8.0% for general members and 1.25% to 9.0% for safety members
Post Retirement Cost-of-Living Adjustments (COLA)	Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 and 2.0% per year for Tiers 2-4. An additional COLA of 0.4% per year (for a total COLA growth rate of 3.0%) is included for Tier 1 participants in pay status to reflect their accumulated COLA banks.
Mortality – Healthy Lives	<p>General Members: Based on the sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014, with no additional charges for males and an adjustment of 10% for females to reflect plan experience</p> <p>Safety Members: Based on the sex distinct RP 2014 Combined Healthy Tables with blue-collar adjustment, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014, increased by 5% for both males and females to reflect plan experience</p>
Mortality – Disabled Lives	All Members: Based on the sex distinct RP 2014 Disabled Retiree Mortality Table, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2021 from 2014.
Discount Rate	7.10% blended discount rate, net of pension plan investment expense, including inflation.
Municipal Bond Rate	3.93% net of investment expenses.
Date of the Last Experience Study	July 1, 2020 through June 30, 2023

Between the June 30, 2023 and June 30, 2024 measurement dates, the rate of inflation did not change as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate increased from 7.08% to 7.10% due to the results of the crossover test. The municipal bond rate increased from 3.65% to 3.93% and is based on the Bond Buyer 20-year Bond GO Index as of June 27, 2024. The last date of the experience study was updated to July 1, 2020 through June 30, 2023. Based on the results of the experience study, there was a change in the adjustments to base mortality tables for healthy members and the mortality improvement scale for all members. There were no other assumption changes as of the June 30, 2024 valuation date.

NOTE 9 – EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return, measured as of June 30, 2024, on pension plan investments (7.15%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Equity	20.0%	4.0%
Small Mid Cap Equity	6.0%	2.9%
Non-U.S. Equity (Developed and Emerging)	16.0%	6.6%
Global Equity	3.0%	4.9%
U.S. Fixed Income	17.0%	2.1%
Emerging Market Debt	3.0%	5.5%
Core Real Estate	3.0%	3.3%
Value-Add Real Estate	4.0%	5.3%
Opportunistic Real Estate	4.0%	6.3%
Infrastructure	4.0%	5.3%
Real Estate Debt	3.0%	2.7%
Private Credit	5.0%	5.7%
Private Equity	12.0%	6.7%
Total	<u>100.0%</u>	

Discount rate: At June 30, 2024, the discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Agency will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2088, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.93% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2024, was 7.10%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and No. 68 and may differ from the methodology used and reported in TCERA's ACFR.

Pension Fund Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the separately issued TCERA ACFR, which is available online at TCERA's website at: <http://www.tcera.org/news-publications/financial-reports>.

NOTE 10 – RESTATEMENTS FOR CHANGES IN ACCOUNTING ESTIMATES AND ERROR CORRECTION

The Agency restated its June 30, 2024 net position. An error correction, decreasing net position by \$532,949, was made to account for machinery and equipment, and vehicles capital assets of \$733,528 and accumulated depreciation of \$200,579 that were not reported in prior years.

The following table outlines the change in net position affected by restatements for error correction in the financial statements:

June 30, 2024, as previously reported	\$	6,399,759
Error Correction - changes in capital assets, net		<u>532,949</u>
Net position, restated at June 30, 2024		6,932,708
Changes in net position		<u>(1,627,111)</u>
Net position at June 30, 2025	\$	<u><u>5,305,597</u></u>

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 12, 2026, which is the date the basic financial statements were available to be issued. There were no subsequent events identified by management which would require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**TULARE COUNTY REGIONAL TRANSIT AGENCY
SCHEDULE OF THE AGENCY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2025*
LAST TEN YEARS**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Agency's proportion of the net pension liability	0.0000%	0.0000%
Agency's proportionate share of the net pension liability	\$ -	\$ -
Agency's covered payroll	\$ 584,886	\$ 532,727
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%
Agency's proportionate share of the fiduciary net position	\$ -	\$ -
Fiduciary net position as a percentage of the total pension liability	80.7%	79.0%

*Fiscal year 2024 was the first year of implementation; therefore, only two years are shown.

See note to required supplementary information.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
SCHEDULE OF THE AGENCY'S PENSION CONTRIBUTIONS
AS OF JUNE 30, 2025*
LAST TEN YEARS**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Actuarially determined contribution for the fiscal year	\$ 86,791	\$ 41,000
Less the contributions in relation to the actuarially determined contribution	<u>(86,791)</u>	<u>(41,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	\$ 584,886	\$ 532,727
Contributions as a percentage of covered payroll	14.8%	7.7%

*Fiscal year 2024 was the first year of implementation; therefore, only two years are shown.

See note to required supplementary information.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, 2025**

NOTE 1 – CHANGES IN ASSUMPTIONS

Between the June 30, 2023 and June 30, 2024 measurement dates, the rate of inflation did not change as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate increased from 7.08% to 7.10% due to the results of the crossover test. The municipal bond rate increased from 3.65% to 3.93% and is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2024. There were no other assumption changes as of the June 30, 2024 valuation date.

SUPPLEMENTARY INFORMATION

**TULARE COUNTY REGIONAL TRANSIT AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract or Program Number</u>	<u>Passed Through to Subrecipients</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Transportation</u>				
Federal Transit Cluster				
Direct Programs:				
Federal Transit Formula Grants	20.507	CA-2024-205-01	\$ -	\$ 1,545,507
Federal Transit Formula Grants	20.507	CA-2025-083-01	-	2,429,000
Federal Transit Formula Grants	20.507	CA-2025-083-02	-	1,000,000
Federal Transit Formula Grants	20.507	CA-2024-205-02	-	500,000
Subtotal			-	5,474,507
Total Federal Transit Cluster			-	5,474,507
Passed through California Department of Transportation:				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	66BA24-02500	-	1,224,514
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64CA17-02437	-	293,747
Formula Grants for Rural Areas and Tribal Transit Program	20.509	64CA23-02234	-	27,174
Subtotal			-	1,545,435
Total U.S. Department of Transportation			-	7,019,942
Total Expenditures of Federal Awards			\$ -	\$ 7,019,942

See notes to the schedule of expenditures of federal awards.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Tulare County Regional Transit Agency (the Agency) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, *Cost Principles*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The Agency has elected not to use the 10 percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND
REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT
ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF
THE TRANSPORTATION COMMISSION**

Board of Directors
Tulare County Regional Transit Agency
Visalia, California

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the statutes, rules, and regulations of the California Transportation Development Act (TDA); and the allocation instructions and resolutions of the Transportation Commission, the basic financial statements of the Tulare County Regional Transit Agency (the Agency) as of and for the year ended June 30, 2025, and have issued our report thereon dated March 12, 2026.

Compliance

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements. Additionally, we performed tests to determine that allocations made and expenditures paid by the Agency were made in accordance with the allocation instructions and resolutions of the Transportation Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Section 6667 that are applicable to the Agency. Based on our procedures, no instances of noncompliance with applicable statutes, rules, and regulations of the Transportation Development Act and the allocation instructions and resolutions of the Transportation Commission were noted. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Also as part of our audit, we performed tests of compliance to determine whether certain state funds were received and expended in accordance with the applicable bond act and state accounting requirements.

Other Matters

The Road Repair and Accountability Act of 2017, Senate Bill (SB) 1 (Chapter 5, Statutes of 2017), signed by the Governor on April 28, 2017, includes a program that provides additional revenues for transit infrastructure repair and service improvements. This investment in public transit is referred to as the State of Good Repair (SGR) Program. This program receives funding of approximately \$105 million annually. SGR funds are to be made available for eligible transit maintenance, rehabilitation and capital projects.

As of June 30, 2025, SGR funds received and claims paid were verified in the course of our audit as follows:

Schedule of State of Good Repair Funds For the Year Ended June 30, 2025	
Description	Amount
Balance - beginning of year	\$ 489,890
Receipts	
Allocations received	-
Expenses:	
Related expenses/disbursements	(489,890)
Balance - end of year	<u>\$ -</u>

The results of our tests indicated that, with respect to the items tested, the Agency complied, in all material respects, with the provisions referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the Agency had not complied, in all material respects, with those provisions.

Purpose of this Report

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Directors, the California Department of Transportation, the State Controller's Office, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
March 12, 2026

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Tulare County Regional Transit Agency
Visalia, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Tulare County Regional Transit Agency's (the Agency) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2025. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibility under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
March 12, 2026

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Tulare County Regional Transit Agency
Visalia, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Tulare County Regional Transit Agency (the Agency), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 12, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

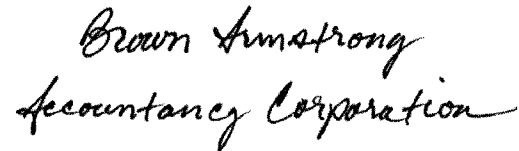
Agency's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Agency's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in black ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
March 12, 2026

FINDINGS AND QUESTIONED COSTS SECTION

**TULARE COUNTY REGIONAL TRANSIT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance under §2 CFR 200.516(a)? No

Identification of major programs:

Federal Transit Cluster Assistance Listing Number 20.507 Federal Transit Formula Grants and Assistance Listing Number 20.526 Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2025-001 – Lack of Year-End Accruals and Adjustments (Material Weakness) (Repeat Finding)

Criteria

Generally Accepted Accounting Principles (GAAP) require revenues, expenses, assets, and liabilities to be recorded in the proper accounting period and accurately presented in the financial statements. Management is responsible for establishing and maintaining effective internal controls over financial reporting to ensure that year-end accruals, account reconciliations, and adjusting entries are prepared completely, accurately, and in a timely manner.

Condition

During our audit, we identified multiple material audit adjustments and reclassifications necessary for the Agency's financial statements to be fairly stated in accordance with GAAP. Specifically, adjustments were required to unearned revenue, including amounts that needed to be reclassified to earned revenue based on the underlying activity and revenue recognition criteria. We also identified adjustments related to fixed assets, including a prior period adjustment for fixed assets, indicating that capital asset activity had not been completely or accurately recorded in the proper period. In addition, audit adjustments were required to accounts payable and accounts receivable to properly reflect year-end obligations and amounts due to the Agency. These matters indicate that the Agency's year-end closing process did not adequately identify and record necessary accruals, reclassifications, and adjustments prior to the commencement of the audit.

Cause of Condition

Based on our audit procedures and discussions with management, staffing shortages and turnover have limited the Agency's ability to implement and maintain adequate internal controls over the financial reporting process. As a result, review procedures and year-end closing controls were not operating effectively to ensure that significant accounts, including unearned revenue, fixed assets, accounts payable, and accounts receivable, were properly analyzed and adjusted at year-end.

Effect of Condition

The lack of effective year-end closing controls resulted in material misstatements in the draft financial statements prior to audit adjustments. Without timely and accurate identification of accruals, reclassifications, and prior period corrections, there is an increased risk that the financial statements may be incomplete, inaccurate, or not prepared in conformity with GAAP. This also increases the risk that users of the financial statements could rely on misstated financial information.

Recommendation

We recommend that the Agency strengthen its year-end financial closing and reporting procedures by implementing formal closing checklists, performing timely account reconciliations, and establishing documented review procedures for significant accounts and transactions. Particular attention should be given to the review of revenue recognition, unearned revenue, fixed asset activity, prior period adjustments, accounts payable, and accounts receivable to ensure that all necessary entries are identified and recorded in the correct fiscal year prior to the preparation of the financial statements.

Management Response

Management acknowledges the findings related to the lack of year-end accruals and adjustments. The Agency recognizes that staffing shortages and employee turnover have affected the effectiveness of internal controls during the year-end financial closing process. To address this issue, management will implement a formal year-end closing checklist, strengthen account reconciliation procedures, and establish documented management review controls for key accounts, including unearned revenue, fixed assets, accounts payable, and accounts receivable. These improvements aim to ensure that all necessary accruals, reclassifications, and adjustments are correctly identified and recorded in the appropriate fiscal year moving forward.

SECTION III – FEDERAL AWARD FINDINGS

None.

**TULARE COUNTY REGIONAL TRANSIT AGENCY
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001 – Financial Closing and Reporting Process (Material Weakness) (Repeat Finding)

Criteria

Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition

During audit procedures performed, we noted there was an ineffective design and operation of the financial closing and reporting process, resulting in untimely financial statements, errors, and delays in finalizing the financial statements for the June 30, 2025 year-end audit.

Cause of Condition

Due to staffing shortages and turnover, Tulare County Regional Transit Agency (the Agency) has not yet implemented adequate controls to ensure proper review procedures are in place relevant to the fair presentation of financial statements.

Effect of Condition

Improper internal controls over financial reporting can lead to unreliable and misleading financial statements and an inability to identify material errors and misstatements in a timely manner, and could allow fraud to occur.

Recommendation

We recommend the Agency implement controls and a process to close their financial records in a timely manner and in accordance with U.S. GAAP.

Management Response

The management acknowledges the repeated findings and recognizes that staffing shortages and turnover have contributed to delays in the financial closing and reporting process. To address these issues, the Agency has engaged interim finance support, begun the recruitment process for a permanent Finance Manager, and implemented a formal month-end and year-end closing checklist with dual reviews to ensure timely, accurate, and GAAP-compliant reporting. Additionally, the segregation of duties has been strengthened, and a reporting calendar with quarterly progress monitoring has been established to improve accountability. The Agency is committed to resolving this issue in fiscal year 2024-25.

Current Year Status

Implemented.

Finding 2024-002 – Lack of Year-End Accruals and Adjustments (Material Weakness)

Criteria

Generally Accepted Accounting Principles (GAAP) require revenues and expenses to be recognized in the fiscal year in which they are incurred, regardless of when cash is received or paid.

Condition

Audit procedures identified revenues/receivables and expenses/payables that were not properly accrued for fiscal year 2023-24, and certain prior-year accrual reversals that were not recorded. Specifically, \$583,012 of revenues/receivables should have been accrued and \$947,371 of revenues should have been reclassified to unearned revenue, while \$2,160,408 of prior-year accruals were not reversed. In expenses, a prior-year accrual of \$1,190,037 was not reversed.

Cause

Staffing shortages and turnover have prevented the Agency from implementing adequate controls to ensure proper year-end accruals.

Effect

Failure to make appropriate year-end accruals and reversals resulted in materially misstated financial statements prior to audit adjustments, increasing the risk of users relying on inaccurate financial information.

Recommendation

We recommend that the Agency strengthen its year-end closing procedures by developing a formal checklist, establishing cut-off procedures, and assigning clear responsibilities to ensure revenues/receivables and expenses/payables are recorded in the correct fiscal year.

Management Response

Management acknowledges this material weakness and agrees with the recommendation. The Agency recognizes that staffing shortages and high turnover contributed to the insufficient year-end accruals and reversals, resulting in misstatements prior to audit adjustments. To address this issue, the Agency has implemented a formal year-end closing checklist with clearly defined cut-off procedures. Responsibilities for accrual entries have been assigned, and supervisory reviews have been strengthened to ensure that revenues and expenses are recorded in the appropriate fiscal year. Management is committed to fully addressing this weakness in the fiscal year 2024-25.

Current Year Status

See 2025-001.

SECTION III – FEDERAL AWARD FINDINGS

Finding 2024-003 – Preparation of Schedule of Expenditures of Federal Awards (SEFA) (Material Weakness)

Program: All
Assistance Listing (AL) No.: N/A
Federal Agency: N/A
Passed Through: N/A
Award Year: Fiscal Year 2023-2024
Compliance Requirement: N/A
Questioned Costs: None

Criteria

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) §200.510(b) states that the auditee (the Agency) must prepare a SEFA for the period covered by the auditee's financial statements,

which must include the total federal awards expended as determined in accordance with §200.502. In addition, §200.303 of the Uniform Guidance states that the Agency must establish and maintain effective internal control over the federal awards, including controls over the accuracy of program information and expenditure amounts.

Condition

During audit procedures performed over the SEFA, we noted that the Agency incorrectly included Federal expenditures from AL No. 20.507 and AL No. 20.509 that were accrued and recorded in fiscal year 2023 in the amount of \$2,160,408, and excluded expenditures from AL No. 20.507 Federal Transit Formula Grants in the amount of \$2,924,012 and 20.509 Formula Grants for Rural Areas and Tribal Transit Program in the amount of \$2,259,151 on its preliminary SEFA.

Cause of Condition

The Agency's existing internal control system is not designed to provide an accurate and complete SEFA. The procedures currently in place did not include sufficient review of the information and supporting documentation relating to federal awards before the SEFA was provided to the external auditors. The first version of the SEFA provided by the Agency reported total expenditures of \$2,842,283; the final revised expenditures totaled \$5,865,038.

Effect of Condition

The SEFA, which is prepared by the Agency and considered supplementary information to the financial statements, is a key part of the reporting package required by the Uniform Guidance. The SEFA also serves as the primary basis that the external auditors use to determine which programs will be audited as part of the single audit; therefore, the Agency's responsibility for preparing an accurate and complete SEFA is critical.

The inability to properly identify and track federal expenditures in the SEFA increases the likelihood that federal expenditures would not be fairly reported. There is increased risk of noncompliance with the requirements set forth in the U.S. Office of Management and Budget (OMB) *Compliance Supplement*, which can jeopardize future federal funding as well as result in the payback of federal awards.

Recommendation

We recommend the Agency implement internal controls to ensure the accuracy of program information, expenditure amounts, and assistance listing numbers. We also recommend the Agency strengthen its year-end closing procedures to ensure that all transactions and federal awards related to the fiscal year are properly captured and recorded in the general ledger to ensure the accuracy and completeness of the financial statements and supplementary schedules. Additionally, we recommend that the Agency provide sufficient resources and adequate oversight within the Agency to oversee the year-end closing procedures and preparation of the financial statements and supporting schedules. Lastly, we recommend the Agency provide training on an as needed basis for employees with financial reporting responsibilities.

Management Response and Corrective Action Plan

We acknowledge the findings regarding the preparation of the Schedule of Expenditures of Federal Awards (SEFA). Management agrees that there were errors in the classification and reporting of federal expenditures during the fiscal year 2023-2024, which resulted from inadequate review controls and documentation procedures. The Agency is committed to enhancing internal controls and year-end closing processes to ensure that the SEFA is complete, accurate, and compliant with 2 CFR Part 200 requirements.

Current Year Status

Implemented.

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TULARE COUNTY REGIONAL TRANSIT AGENCY
ACCEPTING FY 2024-2025 FISCAL AUDIT**

WHEREAS, the Joint Powers Agreement, dated August 11, 2020, by and among the County of Tulare and the Cities of Dinuba, Exeter, Farmersville, Lindsay, Tulare, Woodlake, and the Tule River Tribe of California (each, a “Party” or “Member Agency”), hereafter called the Tulare County Regional Transit Agency “TCRTA); and

WHEREAS, the purpose of the formation and operation of TCRTA is to own, operate, and administer a public transportation system; and

WHEREAS, Brown Armstrong Inc. has prepared a comprehensive Fiscal Year 2024-2025 Fiscal Audit for TCRTA; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TULARE COUNTY REGIONAL TRANSIT AGENCY, does hereby accepts and directs the Tulare County Regional Transit Agency to accept the Fiscal Year 2024-2025 Fiscal Audit; and

PASSED AND ADOPTED this 20th day of April 2026 by the **Board of Directors of the Tulare County Regional Transit Agency**.

THE FOREGOING RESOLUTION was adopted upon motion of _____ and seconded by _____ at the meeting thereof held on the 20th day of April 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed_____

Larry Micari/ Maribel Reynosa
Board Chair/ Board Vice Chair

ATTEST:

I HEREBY CERTIFY that the foregoing Resolution 2026-013 was duly adopted by the Board of Directors of the Tulare County Regional Transit Agency at a regular meeting thereof held on the 20th day of April 2026.

Signed_____

Derek Winning
Executive Director

Tulare County Regional Transit Agency

AGENDA ITEM V - B

April 20, 2026

Prepared by Derek Winning, TCRTA Staff

SUBJECT:

Action: Approve TCRTA Measure R Transit Supplemental Agreement – TCAT Bus Replacement Project Amendment 1

BACKGROUND:

TCRTA has \$3.4 million of Congestion Mitigation Air Quality (CMAQ) funds programmed in the Federal Transportation Improvement Program (FTIP) for the purchase of CNG transit buses. The new buses are needed to help replace an aging TCAG fleet of transit buses, most are over ten years old and some with odometer readings approaching 1 million miles. As a federal funding source, projects with CMAQ funds are programmed in the Federal Transportation Improvement Program (FTIP) and undergo a complex process to authorize and spend the funds.

DISCUSSION:

TCRTA has worked closely with the Tulare County Association of Governments (TCAG) on a solution to replace the aging TCAT Fleet for which it is not uncommon to replace engines and transmissions. Replacement parts are also becoming difficult if not impossible to obtain.

To help expedite the purchase of the buses, TCAG Staff has proposed to replace the CMAQ funds with an advance of Measure R transit funds. The Measure R transit funds would then be reimbursed with an equal amount of STBGP state exchange funds over the next several fiscal years. The CMAQ funds that were originally programmed on this project would be available for programming on another CMAQ eligible project within the Tulare County Region.

Measure R Advance for CMAQ/STBGP Exchange Funding Request – TCAT Replacement Buses (15)

TCRTA - \$ 3,400,000.00

TCRTA is in the process of receiving the (15) TCAT replacement buses, (4) of which have been delivered to date. There have been issues with the CNG tank supplier, so they are being delivered as gasoline buses and (10) will be converted to CNG over the next 6-12 months. The remaining (5) will not be configured to CNG thereby giving the operation fueling flexibility as we have been having remote location CNG fueling issues in Porterville and Dinuba.

Cost savings for doing so amounts to approximately \$350,000 of the original \$3.4 million programmed for the project. Amendment 1 to the TCAT Bus Supplemental Agreement would allow TCRTA to use those savings to purchase microtransit vans and implement branding on buses, shelters, bus stop signs consistent with the new Ride Tulare County logo and 2026 Short-Range Transit Plan recommendations for service changes.

RECOMENDATION:

Approve Resolution 2026-014 TCRTA Measure R Transit Supplemental Agreement – TCAT Bus Replacement Project Amendment 1

FISCAL IMPACT:

N/A

ATTACHMENTS:

1. Resolution 2026-014 TCRTA Measure R Transit Supplemental Agreement – TCAT Bus Project Replacement Amendment 1
2. TCRTA Measure R Transit Supplemental Agreement Amendment 1

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TULARE COUNTY REGIONAL TRANSIT AGENCY ADOPTING
TCRTA MEASURE R PROGRAM SUPPLEMENTAL AGREEMENT
FOR TCAT BUS REPLACEMENT PROJECT AMENDMENT 1**

WHEREAS, on November 7, 2006, the citizens of Tulare County approved Measure R and the Measure R Expenditure Plan; and

WHEREAS, on April 16, 2007, the Measure R Policies and Procedures were adopted; and

WHEREAS, the Measure R Expenditure Plan and the Policies and Procedures serve as the guide for the use of transportation funds that will be generated through the Tulare County half-cent transportation sales tax over the next thirty years; and

WHEREAS, the Tulare County Regional Transit Agency (TCRTA) is eligible to receive Measure R Transit funds for fixed route services and capital projects within TCRTA's service area; and

WHEREAS, TCRTA has \$3.4 million CMAQ funds programmed in the 2025 FTIP for a TCAT bus replacement project and is requesting the advancement of Measure R Transit funds to be exchanged for CMAQ/STBPG funds by TCAG ; and

WHEREAS, the Tulare County Association of Governments (TCAG) is requesting that the TCRTA approve and submit a Program Supplement to Cooperative Agreement that will allow TCRTA to advance and receive Measure R Transit Funds for the TCAT Bus Replacement Project; and

WHEREAS, the TCRTA has realized approximately \$350,000 in savings as compared to the original programmed amount of \$3.4 million; and

WHEREAS, the TCRTA will reprogram the remaining balance for the purposes of purchasing microtransit vans, implement branding of buses, shelters and bus stop signs consistent with Ride Tulare County logo and 2026 Short-Range Transit Plan recommendations ; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TULARE COUNTY REGIONAL TRANSIT AGENCY,

does hereby approve the Measure R Program Supplement to Cooperative Agreement Amendment 1 and authorizes the Board Chair and Executive Director to execute the Program Supplement, and any other related documents as may be required.

THE FOREGOING RESOLUTION was adopted upon motion of _____ and seconded by _____ at meeting thereof held on the 20th day of April 2026.

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed _____
Larry Micari/ Maribel Reynosa
Board Chair/ Board Vice Chair

ATTEST:

I HEREBY CERTIFY that the foregoing Resolution 2026-014 was duly adopted by the Board of Directors of the Tulare County Regional Transit Agency at a regular meeting thereof held on the 20th day of April 2026.

Signed _____
Derek Winning
Executive Director

**MEASURE R PROGRAM SUPPLEMENT TO
COOPERATIVE AGREEMENT –
TCRTA – TCAT Bus Replacement Project Amendment 1
AUTHORITY Agreement No. _____**

This Program Supplement is made and entered into on April 20, 2026, by and between the TULARE COUNTY REGIONAL TRANSIT AGENCY ("Sponsor") and the TULARE COUNTY ASSOCIATION OF GOVERNMENTS, acting as the Local Transportation Authority ("Authority").

This Program Supplement hereby incorporates the "Measure R Cooperative Agreement" for Measure R Expenditures which was entered into between the Sponsor and the Authority on May 29, 2007, as amended, and is subject to all terms and conditions thereof. This Program Supplement is executed under authority of Resolution No. 42-2011, approved by the Sponsor on August 2, 2011.

The Tulare County Regional Transit Agency (TCRTA) has \$3.4 million of Congestion Mitigation Air Quality (CMAQ) funds programmed in the Federal Transportation Improvement Program (FTIP) for the purchase of CNG transit buses. The new buses are needed to help replace an aging fleet of transit buses, some with odometer readings approaching 1 million miles. As a federal funding source, projects with CMAQ funds are programmed in the Federal Transportation Improvement Program (FTIP) and undergo a complex process to authorize and spend the funds.

To help expedite the purchase of the buses, staff is proposing to replace the CMAQ funds with an advance of Measure R transit funds. The Measure R transit funds would then be reimbursed with an equal amount of STBGP state exchange funds over the next several fiscal years. The CMAQ funds that were originally programmed on this project would be available for programming on another CMAQ eligible project.

This Program Supplement is executed under authority of TCTA Resolution No. 2026-XXX, dated May XX 2026.

The purpose of this Program Supplement is to document TCTA's approval of funding from the Measure R Program for SPONSOR'S proposed project identified as TCRTA – TCAT Bus Replacement Project (the "Project"). The scope of said Project, including its costs and schedule, are shown on the attached Attachment "A."

Covenants of SPONSOR

- 1.1 By entering into this Program Supplement, SPONSOR agrees that it will only proceed with work authorized for specific phase(s) of the Project with written "Authorization to Proceed" or other TCTA approval and will not proceed with future phase(s) of the Project(s) prior to receiving a written "Authorization to Proceed" or other TCTA approval.

- 1.2 SPONSOR will advertise, award, and administer the Project(s) as necessary and in accordance with SPONSOR standards.
- 1.3 Contract award information, if any, shall be submitted by SPONSOR to TCTA within 60 days after any Project contract award.
- 1.4 Failure to submit contract award information in accordance with section 1.3 will cause a delay (without interest or penalties) in TCTA's processing of invoices for the construction phase of the Project.
- 1.5 If no costs have been invoiced by SPONSOR for the Project for a six-month period, then SPONSOR agrees to submit to TCTA for each Project phase a written explanation of the absence of Project(s) activity along with target billing dates and target billing amounts.

IN WITNESS WHEREOF, the undersigned Parties have executed this Program Supplement on the day and year first written above.

TULARE COUNTY TRANSPORTATION AUTHORITY

By: _____
TCTA Executive Director

Attest: _____
TCTA Finance Director

TULARE COUNTY REGIONAL TRANSIT AGENCY

By: _____
TCRTA Executive Director

Attest: _____
TCRTA Finance Manager

MEASURE R PROGRAM SUPPLEMENT TO
COOPERATIVE AGREEMENT AMENDMENT 1
TCAG Agreement No. _____

Attachment A

Project Name: TCRTA – TCAT Bus Replacement Project

Project Scope

TCRTA desires to replace a significant portion of the aging TCAT fleet. Purchase 15 <30 foot Buses including necessary onboard equipment for use in TCAT intercity routes connecting Tulare County cities and communities.

Including microtransit vans, branding on buses, shelters, bus stop signs consistent with the Ride Tulare County logo and 2026 Short-Range Transit Plan recommendations.

Project Schedule

Begin	Bus Order	May 2025
End	Delivery	April 2026

Sources and Use of Funds

Funding Source	Measure R Advance – STBG Exchange
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Project Management

PA&ED

PS&E

ROW

Construction	\$3,400,000
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Total Funding	\$3,400,000
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Tulare County Regional Transit Agency

AGENDA ITEM V - C

April 20, 2026

Prepared by Sina Davoudi Kanderagh, TCRTA Staff

SUBJECT:

Information: Microtransit Van Rebranding

BACKGROUND:

Resolution 2026-005 authorized the Executive Director to proceed with a phased deployment plan. Phase 1 targets the 15 vehicles currently bearing the legacy "TCRTA Transport" logo, with an estimated cost of approximately \$9,000. Phase 2 covers approximately 19 vehicles with remaining useful life, and Phase 3 addresses new vehicles on order.

DISCUSSION:

Staff is presenting one microtransit van with the completed vehicle logo application for the Board's review. This vehicle is the first unit rebranded under Phase 1 and demonstrates the approved logo, placement, and decal specifications for the van fleet.

The rebranded vehicle is available for Board member inspection at today's meeting. Staff will continue applying the approved branding to the remaining Phase 1 vehicles and will return to the Board with progress updates as implementation advances through subsequent phases.

RECOMMENDATION:

This item is presented for information only.

FISCAL IMPACT:

There is no additional fiscal impact associated with this information item. Phase 1 implementation is proceeding within the previously approved Board branding budget allocation.