

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Transportation Development Act - Annual Audit Report
DATE: February 4, 2003

Needs: For the City Council to review the Annual Transportation Development Act (TDA) Audit Report.

Facts:

1. The City annually undertakes a TDA audit in accordance with TDA regulations.
2. The audit is performed under contract with by the City's regular auditor, Moss, Levy and Hartzheim, certified public accountants.
3. The cost of the audit is paid from TDA funds.
4. The City has received a clean, unqualified opinion from the auditor.

Analysis
and
Conclusion:

The Report is generally divided into two sections, Local Transportation Fund – Transit Purposes and Local Transportation Fund – Non-transit Purposes.

Transit Purposes

Total assets remained relatively consistent, \$503,126 for the year ended June 30, 2002 as compared to \$507,528 last fiscal year. However, cash resources decreased by \$272,948, generally resulting from the purchase of three transit buses and reduction of TDA resources on a one time basis. Total fund equity also remained relatively consistent, \$442,908 versus \$484,616 last year.

Operating revenues increased by 15% reaching an record high of \$86,789. Due to the expansion of PR CATS by adding the third fixed route, operator contract amendment to provide higher wages for employee retention and recruitment, and higher fuel costs, operating costs rose by 18%. Normally, operating revenues and non-operating revenues (TDA funds) adequately cover operating costs. As reported for fiscal year 2002, there was a net operating loss of \$(41,807). This is due to the fact that funds generally "claimed" for transit operations were re-directed on a "one time basis" to street and road uses. The amount of this one time extra allocation was \$200,000.

Non-transit Purposes

Total assets rose to \$248,218 for the year ended June 30, 2002 as compared to the prior total of \$29,206. This is due to the increase in cash resources resulting from the extra TDA allocation as noted above in the transit section including a \$62,282 receivable for the fourth quarter. These funds are available to Public Works for the City's annual street maintenance program.

Fiscal
Impact:

None.

Options:

- a. That the Council receive and file the Annual Audit Report of Transportation Development Act Funds; or
- b. Amend, modify, or reject the above option.