

AGENDA: March 1, 2007

TO: Regional Transportation Commission

FROM: Daniel Nikuna, Fiscal Officer

SUBJECT: FY 2005-2006 Fiscal Audit

---

## **RECOMMENDATION**

Staff recommends that the Regional Transportation Commission:

1. Accept the SCCRTC FY 2005-2006 fiscal audit (enclosed separately for Commissioners).
- 

## **BACKGROUND**

The Commission is required by state law to have an independent audit prepared annually. Moss, Levy & Hartzheim, prepared the FY 2005-2006 fiscal audit for the Commission; this audit is enclosed separately for Commissioners. Moss, Levy & Hartzheim also performed the audit of Transportation Development Act (TDA) funds for the Santa Cruz for its own TDA fund and the pass-through claims on behalf of Community Bridges and the Volunteer Center. The audit of the County of Santa Cruz is in progress.

## **DISCUSSION**

The RTC is in full compliance with the Government Accounting Standard Board (GASB) statement 34 with the addition of the Management's Discussion and Analysis (MD&A) section in the FY 2005-2006 report. In the MD&A section the majors programs of the Commission and financial highlights are presented. In Addition, the MD&A section discusses current financial issues and concerns. A brief description of the basic financial statement under GASB 34 guidelines is included in MD&A to help readers with the report structure. Brown and Armstrong, CPAs performed the audit of the Santa Cruz Metropolitan Transit District (SCMTD).

The Commission received a clean opinion from the Auditor and no major concerns were raised which would require changes to the internal controls and accounting practices. The audit reports of the SCMTD and the City of Santa Cruz are also unqualified (the highest possible positive opinion). The MD&A contains extensive financial highlights with comparison to the prior fiscal year. Generally, the Commission is financially healthy. However, continuing to secure stable funding sources would remain a challenge in the future. The reports are public documents and are available at the Commission's office and on the website ([www.sccrtc.org](http://www.sccrtc.org)).

**SUMMARY**

The Commission's annual fiscal audit has been completed is ready for review. Staff recommends that the Commission accept the audit report.

Prepared by: Daniel Nikuna

Enclosure: FY 2005-2006 SCCRTC Fiscal Audit (enclosed separately)

\\Rtcserv1\Internal\FISCAL\AUDIT\FISCAL\FY2006\FY2006FiscalAudit.doc