

**CITY OF GRIDLEY
SENIOR TAXI FUND**

Audited Financial Statements
and Compliance Report

June 30, 2025

CITY OF GRIDLEY
Senior Taxi Fund

Audited Financial Statements
and Compliance Report

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Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Gridley, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the years ended June 30, 2025 and 2024, and the related notes to the 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 financial position of the Senior Taxi Fund of the City of Gridley as of June 30, 2025 and 2024 and respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 City of Gridley and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Senior Taxi Fund of the City of Gridley and do not purport to, and do not, present fairly the financial position of the City of Gridley as of June 30, 2025 and 2024, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and there is not a guarantee that an audit conducted in accordance with generally accepted audit standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

To the City Council
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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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks or 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.
- Obtaining 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 Gridley's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies use and the reasonableness of accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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 audits.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026 on our consideration of the City's internal control over financial reporting related to the Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is 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 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 City's internal control over financial reporting and compliance.

Richardson & Company, LLP

January 13, 2026

CITY OF GRIDLEY
SENIOR TAXI FUND

BALANCE SHEETS

June 30, 2025 and 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and investments	\$ 152,538	\$ 124,488
Due from other funds	490,924	244,323
Due from other governments	963	90,434
Interest receivable	35	396
TOTAL ASSETS	644,460	459,641
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	168,255	181,072
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 812,715	\$ 640,713
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,152	\$ 2,428
Compensated absences - current	7,679	7,168
Due to other funds	329,029	329,029
TOTAL CURRENT LIABILITIES	342,860	338,625
NONCURRENT LIABILITIES		
Compensated absences - noncurrent	17,256	16,386
Net pension liability	437,776	445,990
TOTAL NON-CURRENT LIABILITIES	455,032	462,376
TOTAL LIABILITIES	797,892	801,001
DEFERRED INFLOWS OF RESOURCES		
Pension plan	30,954	52,985
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	828,846	853,986
NET POSITION		
Deficit	(16,131)	(213,273)
TOTAL NET POSITION	(16,131)	(213,273)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 812,715	\$ 640,713

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Passenger fares	\$ 3,834	\$ 3,142
TOTAL OPERATING REVENUES	3,834	3,142
OPERATING EXPENSES		
Salaries and benefits	136,723	295,951
Fuel	4,527	4,504
Maintenance	9,842	1,898
Insurance	5,719	5,852
Special department expense	75	1,802
Communications	728	687
Professional	266	511
TOTAL OPERATING EXPENSES	169,061	334,083
NET LOSS FROM OPERATIONS	(165,227)	(330,941)
NONOPERATING REVENUES (EXPENSES)		
State Transit Assistance	90,434	90,434
Taxi subsidy	25,650	2,643
Interest	(316)	2,721
Local Transportation Fund	246,601	214,121
TOTAL NONOPERATING REVENUES	362,369	309,919
CHANGE IN NET POSITION	197,142	(21,022)
Net position, beginning of year	(213,273)	(192,251)
NET POSITION, END OF YEAR	\$ (16,131)	\$ (213,273)

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 3,834	\$ 3,142
Cash paid to suppliers for goods and services	(28,614)	(31,707)
Cash paid to employees for services	(152,770)	(137,016)
NET CASH USED FOR OPERATING ACTIVITIES	(177,550)	(165,581)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	45	3,090
NET CASH PROVIDED BY INVESTING ACTIVITIES	45	3,090
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxi subsidy received	25,650	2,643
Cash paid to other funds	(246,601)	(214,121)
Contributions from other governments	426,506	215,053
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	205,555	3,575
NET CHANGE IN CASH AND CASH EQUIVALENTS	28,050	(158,916)
Cash and cash equivalents, beginning of year	124,488	283,404
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 152,538	\$ 124,488
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES		
Net loss from operations	\$ (165,227)	\$ (330,941)
Adjustments to reconcile net loss from operations to net cash used for operating activities		
Depreciation		6,636
Change in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	3,724	(211)
Deferred outflows/inflows of resources	(9,214)	(3,502)
Compensated absences	1,381	2,336
Net pension liability	(8,214)	160,101
NET CASH USED FOR OPERATING ACTIVITIES	\$ (177,550)	\$ (165,581)

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

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – ORGANIZATION

The City of Gridley (the City) receives funds under the provision of the Transportation Development Act (TDA) from the Butte County Local Transportation Fund (LTF) under Article 4, Section 99260(a) and 99402 and State Transit Assistance (STA) under California Code of Regulations Section 6720(a). The STA funds are to be used for public transportation services only. The LTF funds are to be used to support the transportation systems as defined in the TDA. State of Good Repair Fund are available for the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles. The City operates the Gridley Golden Feather Flyer which provides fixed route and dial-a-ride transportation service for seniors and the disabled. The Senior Taxi Fund is used to account for these TDA funds received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Senior Taxi Fund (the Fund) of the City have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Fund. The Fund is included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City utilizes the enterprise fund type of the proprietary fund group to account for the activities of the Fund.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is used by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. TDA revenues are recognized when all eligibility requirements have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Fund are fees received from passengers for transportation services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: For purposes of reporting cash flows, cash and cash equivalents is defined as those amounts included in the balance sheet caption "Cash and cash equivalents" and consist of amounts held in the City's cash and investments pool, which is available upon demand.

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025 and 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are stated at cost. Provision is made for depreciation of the vehicle by the straight-line method over the estimated useful life of the asset, which is 5 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. It is the policy of the City to capitalize asset acquisitions with an individual cost greater than \$10,000.

Compensated Absences: Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. In addition, those employees who have reached the age of retirement may cash out sick leave upon retirement. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the City’s pension plan as described in Note F.

Restricted Net Position: Restrictions of net position are amounts that are legally restricted for specific uses under the Transportation Development Act or other outside agencies. The Senior Taxi Fund had no restricted net position as of June 30, 2025 and 2024.

Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – CASH AND INVESTMENTS

The Fund’s cash is held in the City Treasury. The City maintains cash and investments in the State of California’s Local Agency Investment Fund (LAIF) and other money market funds and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City Treasury are available on demand to the Fund and are stated at cost, which approximates fair value. The City’s investment policy, interest rate risk and credit risk may be found in the notes to the City’s basic financial statements.

NOTE D – DUE FROM/TO OTHER FUNDS

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to other funds” and “due from other funds” on the balance sheet. The “due from other funds” consists of the following at June 30:

	2025	2024
Transit revenue recorded in TDA Fund:		
Fiscal year 2021/22	\$ 3,874	\$ 3,874
Fiscal year 2022/23	26,328	26,328
Fiscal year 2023/24	214,121	214,121
Fiscal year 2024/25	246,601	
Total due from other funds	\$ 490,924	\$ 244,323

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025 and 2024

NOTE D – DUE FROM/TO OTHER FUNDS (Continued)

The “due to other funds” consists of the following at June 30:

	2025	2024
Street and road revenue recorded in Senior Taxi Fund:		
Fiscal year 2018/19	\$ 3,297	\$ 3,297
Fiscal year 2019/20	141,764	141,764
Fiscal year 2020/21	183,968	183,968
Total due to other funds	\$ 329,029	\$ 329,029

NOTE E – CAPITAL ASSETS

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

	Balance at July 1, 2024	Additions	Retirements	Balance at June 30, 2025
Capital assets, being depreciated:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(46,447)			(46,447)
Capital assets, net	\$ -	\$ -	\$ -	\$ -
Less accumulated depreciation for:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(39,811)	\$ (6,636)		(46,447)
Capital assets, net	\$ 6,636	\$ (6,636)	\$ -	\$ -

NOTE F – LONG TERM LIABILITIES

Changes in long-term liabilities consisted of the following for the years ended June 30:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 23,554	\$ 1,381		\$ 24,935	\$ 7,679
Net pension liability	445,990	(8,214)		437,776	
	\$ 469,544	\$ (6,833)	\$ -	\$ 462,711	\$ 7,679
Compensated absences	\$ 21,218	\$ 2,336		\$ 23,554	\$ 7,168
Net pension liability	285,889	160,101		445,990	
	\$ 307,107	\$ 162,437	\$ -	\$ 469,544	\$ 7,168

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025 and 2024

NOTE G – PENSION LIABILITY

The City participates in a cost-sharing defined benefit pension plan with CalPERS consisting of the following risk pools and a number of rate plans: Safety Risk Pool (Police and Fire) and the Miscellaneous Risk Pool for all other City employees. Information is available about the City’s pension plan in the City’s financial statements. The Senior Taxi Fund employees are included in the Miscellaneous Risk Pool. However, the actuarial valuation for the City’s participation in the Miscellaneous Risk Pool received from CalPERS does not separately disclose information that is required to be reported under GASB 68 and 71 for the Senior Taxi Fund. The pension liability reported in the Senior Taxi Fund represents a proportional share of the pension liability of the City’s participation in the Miscellaneous Risk Pool as a whole based on a proportional share of cash basis employer contributions paid on behalf of the Senior Taxi Fund employees compared to all non-Safety City employees. The deferred outflows of resources, net pension liability, deferred inflows of resources and pension benefit related to the Senior Taxi Fund were \$168,255, \$437,776, \$30,954, and \$17,428, respectively, as of and for the year ended June 30, 2025. The deferred outflows of resources, net position liability, deferred inflows of resources and pension expense related to the Senior Taxi Fund were \$181,072, \$445,990, \$52,985 and \$156,599, respectively. Pension expense was reported as part of salaries and benefits expenses.

NOTE H – FARE REVENUE RATIO

The City is required to maintain a fare revenue to operating expense ratio of 10.00% in accordance with Section 99268.5 of the Transportation Development Act. The fare revenue to operating expenses ratio for the City is calculated as follows for the year ended June 30:

	2025	2024
Fare revenues	\$ 3,834	\$ 3,142
Local support: taxi subsidy	25,650	2,643
Local funds: interest	(316)	2,721
	29,168	8,506
Operating expenses	169,061	334,083
Less allowable exclusions:		
Depreciation		(6,636)
Pension benefit	17,428	(156,599)
	\$ 186,489	\$ 170,848
Net operating expenses	186,489	170,848
Actual fare revenue ratio	15.64%	4.98%
Required fare revenue ratio	10.00%	10.00%

The City met the minimum required fare revenue ratio during the year ending June 30, 2025. The City did not meet the minimum required fare revenue ratio during the year ending June 30, 2024. Senate Bill (SB) 125 provides a penalty waiver for noncompliance through fiscal year 2026.

NOTE I – CONCENTRATIONS

The Fund receives a substantial amount of its support from a statewide retail sales tax from the LTF and diesel sales tax from the STA created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Fund’s activities.

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*
AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Gridley, California

We have audited, 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, the financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated January 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund'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 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 item 2025-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of 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 statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Fund were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. 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 performing our tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards or the TDA.

To the City Council
City of Gridley, California

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Richardson & Company, LLP

January 13, 2026

CITY OF GRIDLEY
SENIOR TAXI FUND

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2025

INTERNAL CONTROL OVER FINANCIAL REPORTING

CURRENT YEAR FINDINGS

FINDING 2025-001 – Material Weakness

Criteria: TDA revenue needs to be recorded in the proper fund based on the allocation approved by BCAG.

Condition: The City recorded the entire TDA allocation in the TDA Fund instead of recording the Article 4 funding for taxi service in the City's Senior Taxi Fund. In addition, taxi service revenue going back to fiscal year 2021/22 that was incorrectly recorded in the TDA fund for streets and roads totaling \$490,924 has not been transferred to the Senior Taxi Fund. Street and road revenue going back to fiscal year 2018/19 that was incorrectly recorded in the Senior Taxi Fund totaling \$329,029 has not been transferred to the TDA Fund.

Effect: Audit adjustments were required to report the financial statements in accordance with generally accepted accounting principles. The Senior Taxi Fund also has less cash than what it is entitled to.

Cause: It appears that the City does not have procedures in place to compare the TDA Expenditure Plan from BCAG to revenue recorded in the City's General Ledger by Fund. Also, the City is not transferring cash to clear interfund payables/receivables on a timely basis.

Recommendation: We recommend the City ensure that TDA revenue is recorded in the proper fund based on the BCAG Expenditure Plan and that interfund payables/receivables be cleared on a timely basis. To clear these transfers, the TDA Fund needs to transfer \$161,895 from the TDA Fund to the Senior Taxi Fund.

Management's Response: The City agrees to the findings, we will continue to work on improving our internal procedures.