

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

May 26, 2005

TO: BOARD OF DIRECTORS  
THRU: Larry Rubio, Chief Executive Officer  
FROM: Chris Gallanes, Chief Financial Officer  
SUBJECT: Revise Local Transportation Fund (LTF) Claim Form to Recover  
FY2003 and FY2004 Operating Fund Deficit

Summary: In order to receive LTF funding each fiscal year, the Agency develops a funding request that is transmitted to the Riverside County Transportation Commission (RCTC). This funding request is developed during the annual budget process, and includes an estimate of ending fund balances for the current fiscal year, as well as expenditures (adopted budget) for the upcoming year.

During the FY2003 budget process, staff developed a preliminary estimate that reflected an FY2002 LTF carryover amount of \$1,477,000. The FY2003 LTF allocation was reduced by \$1,477,000 to reflect this estimated carryover. The actual FY2002 LTF carryover equaled \$549,455; a difference of \$927,545. The FY2003 LTF allocation was not adjusted to reflect this difference.

In FY2003, the Agency did not realize its farebox revenue projection. There was a variance of \$223,672. In addition, projected Federal Section 5311 revenues of \$306,169 were not realized and additional non-operating revenues were not received. These unrealized revenues, coupled with the \$927,545 LTF carryover variance, led to a cumulative FY2003 year-end funding deficit of \$1,478,780.

In FY2004, the Agency again did not realize its farebox revenue projection. There was a variance of \$696,059. Additional Measure "A" specialized transit funding was received for operation of the Taxi Demonstration Program. The Measure "A" funds as well as other local revenues that were received offset most of this variance; however, at FY2004 year-end a deficit of an additional \$205,048 accrued. The cumulative deficit for FY2003 and FY2004 equals \$1,683,828. Staff is requesting approval to prepare a revised claim form to recover this deficit from RCTC.

Staff has developed various reconciliation/analysis and worked with RCTC to reconcile this deficit. Detailed schedules have been transmitted and reviewed with RCTC staff. Contingent upon Agency Board approval, RCTC staff will present this request to the RCTC Board of Commissioners during their June board cycle.

Fiscal Impact:

Receipt of funds to cover this \$1,683,828 deficit will balance Agency financials and offset past fiscal year deferred revenues that were used to fund operating expenses.

The Agency's allocated/unclaimed LTF reserve funds at RCTC are a potential funding source for this action.

Committee Recommendation:

This item was presented at the Board Budget and Finance Committee meeting of May 12<sup>th</sup>. The Committee members unanimously approved recommending this item to the full Board of Directors for their consideration.

Recommendation:

Authorize staff to prepare the necessary documentation to recover an LTF deficit of \$1,683,828.