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## SunLine Completes FY 2013 Audit

### Improved Auditing and Reporting Indicate a Substantially Strengthened Financial Position

**(Thousand Palms, CA)** March 26, 2014 • After filing an extension to standardize its reporting, SunLine Transit Agency Board of Directors unanimously voted to Receive and File the Agency's FY2013 financial audit. With this year's filing, SunLine has improved its internal auditing procedures, enhanced its reporting standards, and showed a strengthened financial position.

Lauren Skiver, General Manager, stated: "The Agency has come through its independent audit financially sound and moving in a positive direction. During the initial (fiscal year 2013) financial reporting process, our Finance Staff identified several errors in the receivable, unearned revenue and revenue balances that had been reported in fiscal years 2012 and 2011, requiring us to file an extension to correct the financial statements. Those balances have now been corrected and our beginning net position has been restated for both FY 2011 and 2012."

As a result of these adjustments, SunLine also further analyzed its 2013 financial year-end balances to correctly report those balances. Errors had occurred because certain outdated policies, procedures and accounting practices (inconsistent with Generally Accepted Accounting Principles (GAAP) had been used previously.

State law requires that recipients of Transportation Development Act funds undergo an annual fiscal audit. In addition, under the Single Audit Act, Federal law requires that agencies produce a single fiscal audit to meet the requirements set forth in OMB Circular A-133, and those of a funding agency. Many transit agencies file extensions because of the complexities of reporting grant funding.

Macias, Gini & O'Connell, LLP, who noted only a single finding around revenues and expenses, completed this year's independent audit. SunLine plans to implement a mid-year review to assess the effectiveness of transactional and procedural improvements after implementing standards that have corrected that finding and enabled the Agency to complete this year's audit.

Under GAAP and rules set out by the Government Accounting Standards Board (GASB), revenue and expenses must be recognized in the accounting period in which they are earned and expended (in which they become measurable). This means they need to be accounted for in the period when the revenues are earned and when the costs of goods or services have been consumed or costs incurred. Unlike other businesses, public agencies are required by state and federal law to account for revenue and expenses in the same fiscal year.

Some highlights of this year's audit:

- Total revenues increased \$3.5 million.
- System ridership grew from 4.56 to 4.71 million in FY 2013, a 3.2% increase. SunLine is on track for more ridership growth in FY 2014 thanks to an \$800K+ investment in new and expanded service.
- No deficiencies or non-compliance were identified in financial reporting and SunLine Finance Team has created a higher level of financial accuracy identifying previous accounting mistakes and correcting them improving SunLine's financial reporting structures.

Lauren Skiver added: "SunLine has come through the audit in a positive financial position. The Agency is taking clear steps to improve fiscal transparency through performance management. Ultimately, it is our goal to reassure the public, our Board of Directors and our customers that we are fiscally responsible and proficient in managing the finances of SunLine Transit Agency."

More information about SunLine can be found at [sunline.org](http://sunline.org). • Media inquiries contact Norma Stevens at 760-250-5366 or e-mail [nstevens@sunline.org](mailto:nstevens@sunline.org).

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*SunLine Transit Agency is a joint powers authority formed in 1977 to operate the Coachella Valley's public transportation system. SunLine offers fixed route bus service and curb-to-curb paratransit for the mobility impaired. Its fixed route and paratransit vehicles travel more than 4 million miles per year, covering over 619 bus stops located throughout a 1,120 mile-service area, carrying approximately 4.82 million riders. SunLine Services Group regulates three taxi franchises who provide taxi services throughout the Valley. SunFuels alternative fueling station offers compressed natural gas and hydrogen for SunLine and the public 24 hours a day, seven days a week. To learn more, please visit [sunline.org](http://sunline.org).*