

**CITY OF GONZALES**  
**COUNTY OF MONTEREY**  
**FINANCIAL STATEMENTS RELATING TO**  
**THE TRANSPORTATION DEVELOPMENT ACT,**  
**SECTIONS 99400 (a), 99402, AND 99405**  
**FOR STREET AND ROAD PURPOSES**

June 30, 2004 and 2003

**CITY OF GONZALES**  
**TRANSPORTATION DEVELOPMENT ACT**  
Table of Contents  
June 30, 2004 and June 2003

---

**FINANCIAL SECTION:**

Independent Auditors' Report ..... 1

Financial Statement:  
    Statement of Revenues, Expenditures, and  
    Changes in Unexpended Claims for Street and Road Purposes ..... 2

Notes to Financial Statement ..... 3

**SUPPLEMENTARY INFORMATION SECTION:**

Schedule of Approved Allocations and Claims Paid By Project..... 5

Schedule of Cumulative TDA Allocations and Claimed Expenditures ..... 6

Independent Auditors' Report on Compliance -- Transportation Development Act ..... 8

**FINANCIAL SECTION**



# MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS:**

ROBERT M. MOSS, C.P.A.\*  
RONALD A. LEVY, C.P.A.\*  
CRAIG A. HARTZHEIM, C.P.A.\*

\*DENOTES PROFESSIONAL CORPORATION

802 EAST MAIN  
SANTA MARIA, CA 93454  
PHONE: (805) 925-2579  
FAX: (805) 925-2147  
E-MAIL: mlhsm@mlhpcpas.com

## INDEPENDENT AUDITORS' REPORT

Transportation Agency for Monterey County  
Salinas, California

We have audited the accompanying statement of revenues collected, expenditures paid, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400 (a) of the Public Utilities Code of the City of Gonzales, for the fiscal years ended June 30, 2004 and June 30, 2003. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statement was prepared to present only the TDA funds referred to above as described in Note 1, and is not intended to be a complete presentation of the financial position of the City of Gonzales at June 30, 2004 and 2003, or the results of its operations for the fiscal years then ended.

In our opinion, the financial statement referred to above presents fairly in all material respects, the revenues collected, expenditures paid, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400 (a) of the Public Utilities Code of the City of Gonzales, for the fiscal years ended June 30, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

This report is intended solely for the information and use of management, the Transportation Agency for Monterey County, the State of California Department of Transportation, and the State Controller's Office, and should not be used for any other purpose.

MOSS, LEVY & HARTZHEIM

*Moss, Levy & Hartzheim*  
September 3, 2004

**CITY OF GONZALES**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Statement of Revenues, Expenditures and Changes in Unexpended Claims for Street and Road Purposes  
Relating to Section 99400(a) of the Public Utilities Code  
Fiscal Years Ended June 30, 2004 and 2003

---

	<u>2004</u>	<u>2003</u>
<b>Revenues:</b>		
Allocations claimed for street and road purposes:		
Local Transportation Fund, Section 99400(a)	\$ 126,141	\$ 108,767
 Total revenues	<u>126,141</u>	<u>108,767</u>
 <b>Expenditures:</b>		
Street construction	<u>126,141</u>	<u>108,767</u>
 Total expenditures	<u>126,141</u>	<u>108,767</u>
 Excess (deficiency) of revenues over expenditures		
 Balance of unexpended TDA claims, beginning of fiscal year	<u>                    </u>	<u>                    </u>
 Balance of unexpended TDA claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

**SUPPLEMENTARY INFORMATION SECTION**

**CITY OF GONZALES**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Schedule of Approved Allocations and Claims Paid by Project Relating to Section 99400(a) of the Public Utilities Code  
 Fiscal Years Ended June 30, 2004 and June 30, 2003

---

	Transportation Agency for Monterey County Approved Allocations	Amount Claimed
<u>2004</u>		
Streets and Roads, Section 99400(a):		
Street construction	\$ 547,503	\$ 126,141
Maximum approved allocation	<u>\$ 547,503</u>	<u>\$ 126,141</u>
 <u>2003</u>		
Streets and Roads, Section 99400(a):		
Street construction	\$ 348,430	\$ 108,767
Maximum approved allocation	<u>\$ 348,430</u>	<u>\$ 108,767</u>

**CITY OF GONZALES**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**

Schedule of Cumulative TDA Allocations and Claimed Expenditures Relating to Section 99400(a)  
of the Public Utilities Code  
Fiscal Year Ended June 30, 2004

---

	<u>Fiscal Year 2004</u>	
	<u>TDA</u>	
	<u>Allocations</u>	
	<u>Claimed</u>	<u>Expenditures</u>
Streets and Roads, Section 99400(a):		
Downtown Gonzales Revitalization Street Projects	\$ 126,141	\$ 126,141
Total	<u>\$ 126,141</u>	<u>\$ 126,141</u>

---

Cumulative Total - June 30, 2004

<u>TDA Allocations Claimed</u>	<u>Expenditures</u>	<u>Unexpended TDA Claims</u>	<u>Project Status</u>
\$ 126,141	\$ 126,141	\$ -	Ongoing
<u>\$ 126,141</u>	<u>\$ 126,141</u>	<u>\$ -</u>	



MOSS, LEVY & HARTZHEIM

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS:**

ROBERT M. MOSS, C.P.A.\*  
RONALD A. LEVY, C.P.A.\*  
CRAIG A. HARTZHEIM, C.P.A.\*

\*DENOTES PROFESSIONAL CORPORATION

802 EAST MAIN  
SANTA MARIA, CA 93454  
PHONE: (805) 925-2579  
FAX: (805) 925-2147  
E-MAIL: mlhsm@mlhpcpas.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE –  
TRANSPORTATION DEVELOPMENT ACT**

Transportation Agency for Monterey County  
Salinas, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of revenues, expenditures, and changes in unexpended claims for street and road purposes relating to the Transportation Development Act (TDA), Section 99400(a) of the Public Utilities Code of the City of Gonzales, for the fiscal year ended June 30, 2004 and have issued our report thereon dated September 3, 2004.

As part of our audit, we tested whether the funds allocated to and received by the City of Gonzales, pursuant to the Transportation Development Act (TDA), Sections 99400(a), 99402, and 99405 were expended in conformance with the applicable statutes, rules, and regulations of the Transportation Development Act (TDA) including Section 6666 of Title 21 of the California Administrative Code and the allocation instructions and resolutions of the Transportation Agency for Monterey County.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Gonzales was not in compliance with the aforementioned laws or regulations as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of management, the Transportation Agency for Monterey County, the State of California Department of Transportation, and the State of California Controller's Office and should not be used for any other purpose.

MOSS, LEVY & HARTZHEIM

*Moss, Levy & Hartzheim*

September 3, 2004