



*"...meeting community needs...enhancing quality of life."*

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**TO:** Finance Committee

**FROM:** Jeri Ohman, Finance Director

**DATE:** July 25, 2022

**RE:** Request approval of ARPA Lost Revenue Budget Amendment

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The 2021 ARPA budget included \$1,500,000 for lost revenue in the Parking Utility based on the Interim ruling and the transfer was made for these funds during 2021. The Final Rule was released in early January 2022, effective April 1, 2022. The Final Rule includes the ability to use ARPA funds for lost revenue, however, additional restrictions were imposed on reporting and tracking of those funds. After discussing the requirements with Clifton Larson Allen, LLP (CLA), it was noted that the Parking Utility did not have the required amount of "allowable" expenses to cover the full amount of lost revenue in 2021. Based on CLA's recommendation to avoid potential findings in the single audit, the transfer of ARPA funds was reversed.

This budget amendment would restore the lost revenue in the Parking Utility in 2022. The requirements of the Final Rule for using ARPA funds are expected to be satisfied in 2022, eliminating concerns related to the single audit.

Thank you for your consideration of this budget adjustment. Feel free to contact me if you have questions.