

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2018

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2018

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2018. Please refer to the individual divider tab for our report on each Agency.

City of Dana Point

City of La Habra

City of Lake Forest

City of San Clemente



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – CITY OF DANA POINT

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Dana Point's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2018. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2018. We agreed the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings: The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Measure M Fund (04) under the Professional Services object code (2230). Match expenditures are recorded in the City's General Fund (01), under the Professional Services (2230) and Recreational Programs (2430) object codes. During the year ended June 30, 2018, the City reported total program expenditures of \$73,984, which included \$17,520 as the City's match. The City reported \$56,464 in program expenditures on the Expenditure Report (Schedule 2, Line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were identified as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City’s Measure M2 Senior Mobility Program as of June 30, 2018, agreed to the balance as listed on the City’s Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2018, we agreed to the amount listed as received on the City’s Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings: The City received \$146,566 for the past three fiscal years ended June 30, 2016, 2017 and 2018. The remaining fund balance was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Fund Balance</u>
2017/2018	Senior Mobility Program (M2)	\$ 50,144
2016/2017	Senior Mobility Program (M2)	\$ 23,002

We compared the fund balance of \$73,146 from the general ledger to the fund balance reported in the City’s Expenditure Report (Schedule 1, line 24) of \$77,870, noting a \$4,724 difference. The difference was due to an incorrect beginning fund balance reported in Schedule 1, Line 8. The amount was rolled forward from the prior year M2 Expenditure Report ending fund balance.

The City received \$50,144 during the fiscal year ended June 30, 2018 which agreed to the City’s Expenditure Report (Schedule 2, Line 8 for Project U). Aside from the item above, no other exceptions were found as a result of this procedure.

4. We obtained and inspected the City’s interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City’s Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

Findings: The City reported \$450 of interest income for the year ended June 30, 2018 which agreed to the City’s Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2018.

Findings: The total match expenditures amounted to \$17,520 which was approximately 24% of the total expenditures of \$73,984. No exceptions were found as a result of this procedure.

6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City’s general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: Measure M2 Senior Mobility Program expenditures tested totaled \$57,779 representing approximately 78% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. The third party contractor registers senior participants, and validates date of birth documented on registration forms. While the third party contractor validates eligibility, the contract does not require it and the City did not monitor to ensure participants were being reviewed for eligibility.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and described the dollar tested. We identified the amounts charged and inspected supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were identified as a result of this procedure.

9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well Senior Services (Age Well), to provide senior transportation services under the Senior Mobility Program. The City has contracted with Age Well since January 2013. City staff asserted the procurement in 2013 relied upon a competitive process, however, the City did not have evidence of the RFP issued or bidding documentation. The contract was originally executed for a three year term through June 30, 2016, with an option to extend for up to five additional years through June 30, 2021. In July 2016, the City extended the contract through June 30, 2021. Per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed. However Age Well's policies and procedures indicate wheelchair accessible vehicles are available. No other exceptions were identified as a result of this procedure.

10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and verified the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2017, December 2017, March 2018, and June 2018). Through inspection, we determined none of the four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
November 2017	January 3, 2018	4
December 2017	February 1, 2018	2
March 2018	May 1, 2018	1
June 2018	July 31, 2018	1

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Laguna Hills, California
March 12, 2019



March 12, 2019

Board of Directors
 Orange County Local Transportation Authority
 and the Taxpayers Oversight Committee of the
 Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of Dana Point as of and for the fiscal year ended June 30, 2018.

Procedure #3

We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City’s Measure M2 Senior Mobility Program as of June 30, 2018, agreed to the balance as listed on the City’s Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2018, we agreed to the amount listed as received on the City’s Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings: The City received \$146,566 for the past three fiscal years ended June 30, 2016, 2017 and 2018. The remaining fund balance was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Fund Balance</u>
2017/2018	Senior Mobility Program (M2)	\$ 50,144
2016/2017	Senior Mobility Program (M2)	\$ 23,002

We compared the fund balance of \$73,146 from the general ledger to the fund balance reported in the City’s Expenditure Report (Schedule 1, line 24) of \$77,870, noting a \$4,724 difference. The difference was due to an incorrect beginning fund balance reported in Schedule 1, Line 8. The amount was rolled forward from the prior year M2 Expenditure Report ending fund balance.

City’s Response:

Though the City’s accounting system reflects the correct amounts, the totals shown on the manual M2 report were incorrect. The City agrees with the finding and will be submitting a revised FY 2017/2018 M2 Expenditure Report to OCTA.

Procedure #7

We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Harboring the Good Life

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. The third party contractor registers senior participants, and validates date of birth documented on registration forms. While the third party contractor validates eligibility, the contract does not require it and the City did not monitor to ensure participants were being reviewed for eligibility.

City's Response:

Though the City does not believe any ineligible participants were served, it agrees with this finding and has taken measures to amend existing policies and procedures. Where previously the City had delegated this responsibility to its private contractors, registration for the Senior Mobility Program will now be handled by City staff to ensure that services are provided only to eligible participants.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well Senior Services (Age Well), to provide senior transportation services under the Senior Mobility Program. The City has contracted with Age Well since January 2013. City staff asserted the procurement in 2013 relied upon a competitive process, however, the City did not have evidence of the RFP issued or bidding documentation. The contract was originally executed for a three year term through June 30, 2016, with an option to extend for up to five additional years through June 30, 2021. In July 2016, the City extended the contract through June 30, 2021. Per inspection of the original contract through June 30, 2016, and the amended contract through June 30, 2021, we did not find the language requiring that wheelchair accessible vehicles be made available and used as needed. However Age Well's policies and procedures indicate wheelchair accessible vehicles are available. No other exceptions were identified as a result of this procedure.

City's Response:

The City knows that Age Well only uses wheelchair accessible vehicles. However, the City agrees and will amend the existing contract with Age Well to include specific language requiring the availability and use of wheelchair accessible vehicles. Such language will also be included in the next RFP process and subsequent contract, and the City will maintain documentation related to the competitive procurement process.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (November 2017, December 2017, March 2018, and June 2018). Through inspection, we determined none of the four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
November 2017	January 3, 2018	4
December 2017	February 1, 2018	2
March 2018	May 1, 2018	1
June 2018	July 31, 2018	1

No other exceptions were found as a result of this procedure.

City's Response:

The City agrees with the finding that four of the monthly reports were received between one (1) and four (4) days after their required filing deadlines. Staff has amended procedures to ensure that all reports are submitted within 30 days of month end.

Sincerely,



Title: City Manager



Title: Director of Finance



Title: Recreation Manager



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES – CITY OF LA HABRA**

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of La Habra's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2018. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2018. We agreed the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings: The City's expenditures are tracked in the general ledger by fund, sub-project, and object. The City records its Senior Mobility Program expenditures in its Air Quality Improvement Fund (134) under Professional Service (account# 155101-7739). During the year ended June 30, 2018, the City incurred total program expenditures of \$167,106, which included \$111,078 as the City's match. The City reported \$56,028 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City's Measure M2 Senior Mobility Program as of June 30, 2018, agreed to the balance as listed on the City's Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2018, we agreed to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings: The City received \$162,348 for the past three fiscal years ended June 30, 2016, 2017 and 2018. The City had \$0 remaining fund balance as of June 30, 2018, which agreed to the City's Expenditure Report (Schedule 1, Line 24).

The City received \$55,543 during the fiscal year ended June 30, 2018, a \$485 difference compared to the City's Expenditure Report (Schedule 2, Line 8 for Project U) amount of \$56,028, due to the timing of an accrual posting. No exceptions were found as a result of this procedure.

4. We obtained and inspected the City's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City's Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

Findings: The City reported \$0 of interest income for the year ended June 30, 2018 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. Fares are collected by Keolis Transit Services for the bus shuttle program. Fare revenues are tracked through the monthly summary reports. During the year, the City collected \$1,112, which was used as part of the City's match. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2018.

Findings: The total match expenditures amounted to \$111,078 which was approximately 66% of the total expenditures of \$167,106. No exceptions were found as a result of this procedure.

6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: Measure M2 Senior Mobility Program expenditures tested totaled \$131,299 representing approximately 79% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. Per inspection of supporting documentation, we identified trips that were categorized as work, school, family and friend visits. City management asserted that these trips fall under the Personal Care category allowed per the Cooperative Agreement. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City reviews and validates date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and described the dollar tested. We identified the amounts charged and inspected supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were identified as a result of this procedure.

9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Keolis Transit Services to provide senior transportation services under the Senior Mobility Program. The contract, which was competitively procured, originally allowed for a three-year initial term and one, two-year option term through April 30, 2018. In April 2018, the City awarded a new contract for senior transportation services to Keolis Transit Services. According to City staff, the procurement in April 2018 relied upon a competitive process conducted by the City of Costa Mesa in June 2017. City management reviewed the City of Costa Mesa's Request for Proposal and determined that the general scope of services were similar to the City's program requirements. City management asserted that the City's Recreation Manager inquired of the City of Costa Mesa's Recreation Manager to discuss the procurement process and review program packets. However, no further related evidence of the procurement process was provided. No other exceptions were found as a result of this procedure.

10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for Keolis Transit Services, and verified the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (September 2017, October 2017, February 2018, and June 2018). Through inspection, we determined two of four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
September 2017	November 9, 2017	10
October 2017	December 13, 2017	13
February 2018	March 22, 2018	-
June 2018	July 30, 2018	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Laguna Hills, California
March 12, 2019



City of La Habra

“A Caring Community”

ADMINISTRATION BUILDING

110 E. La Habra Boulevard
Post Office Box 337
La Habra, CA 90633-0785
Office: (562) 383-4010
Fax: (562) 383-4474

March 12, 2019

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of La Habra as of and for the fiscal year ended June 30, 2018.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings:

Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Keolis Transit Services to provide senior transportation services under the Senior Mobility Program. The contract, which was competitively procured, originally allowed for a three-year initial term and one, two-year option term through April 30, 2018. In April 2018, the City awarded a new contract for senior transportation services to Keolis Transit Services. According to City staff, the procurement in April 2018 relied upon a competitive process conducted by the City of Costa Mesa in June 2017. City management reviewed the City of Costa Mesa’s Request for Proposal and determined that the general scope of services were similar to the City’s program requirements. City management asserted that the City’s Recreation Manager inquired of the City of Costa Mesa’s Recreation Manager to discuss the procurement process and review program packets. However, no further related evidence of the procurement process was provided. No other exceptions were found as a result of this procedure.

City’s Response:

The City of La Habra abides by City purchasing policy 4.20.070 Exceptions to bidding requirement for purchase of goods and services. This Municipal Code allows the purchase of goods, supplies and services pursuant to 4.20.060. It states that the city can utilize cooperative governmental purchasing contracts or pricing for a given item or service which was established by another governmental agency’s successful bid

award for that general or specific type of item or service, and which had been conducted on a negotiated or competitive basis. Staff reviewed the City of Costa Mesa Request for Proposals, spoke with Costa Mesa City staff about the process and reviewed results of the bids. In the future, the City will expand our process to include written documentation to the Agency to reiterate verification of telephone conversations and our understanding of their selection processes.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings:

We sampled four monthly summary reports (September 2017, October 2017, February 2018, and June 2018). Through inspection, we determined two of four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

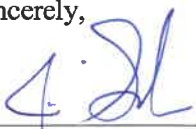
<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
September 2017	November 9, 2017	10
October 2017	December 13, 2017	13
February 2018	March 22, 2018	-
June 2018	July 30, 2018	-

No other exceptions were found as a result of this procedure.


City's Response:

Starting December of 2017, City has assigned to Finance department to file the monthly summary report to ensure timely submission.

Sincerely,



James D. Sadro
City Manager



Melvin L. Shannon
Director of Finance



Kelly Fujio
Director of Community Services



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES – CITY OF LAKE FOREST**

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Lake Forest's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2018. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2018. We agreed the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings: The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Measure M Senior Mobility Program Fund (221) under the Community Services Department (530) and Senior Transportation Expenditure account (695.003). The City also tracks administrative costs in the General Fund (100) under the Community Services Department (530) and Finance Department (200). During the year ended June 30, 2018, the City reported total program expenditures of \$108,872, which included \$10,347 as the City's match using fare revenues collected from senior transportation related activities and \$15,831 as the City's General Fund match used to pay for Administrative Costs. The City reported \$82,694 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City’s Measure M2 Senior Mobility Program as of June 30, 2018, agreed to the balance as listed on the City’s Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2018, we agreed to the amount listed as received on the City’s Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings: The City received \$198,825 for the past three fiscal years ended June 30, 2016, 2017 and 2018. The remaining fund balance was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Fund Balance</u>
2017/2018	Senior Mobility Program (M2)	\$ 49,412

We compared the fund balance of \$49,412 from the general ledger to the fund balance reported in the City’s Expenditure Report (Schedule 1, line 24) with no exceptions.

The City received \$68,023 during the fiscal year ended June 30, 2018, a \$594 difference to the City’s Expenditure Report (Schedule 2, Line 8 for Project U) amount of \$68,617 due to the timing of an accrual posting. No exceptions were found as a result of this procedure.

4. We obtained and inspected the City’s interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City’s Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

Findings: The City reported \$688 of interest income for the year ended June 30, 2018 which agreed to the City’s Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. Fares are collected by the City for the taxi voucher program and by Age Well Senior Services for the bus shuttle program. Fare revenues are tracked in the City’s general ledger within the Measure M Senior Mobility Program Fund (221) under the SMP Fare Revenue account (440.001). During the year, the City collected \$10,347, which was used as part of the City’s match. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2018.

Findings: The total match expenditures amounted to \$26,178 which was approximately 24% of the total expenditures of \$108,872. No exceptions were found as a result of this procedure.

6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City’s general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: Measure M2 Senior Mobility Program expenditures tested totaled \$83,935 representing approximately 77% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. The third party contractor registers senior participants for the bus shuttle program and the City registers senior participants for the taxi voucher program. The bus shuttle program relies on date of birth provided at registration on the application. The taxi voucher program requires at least one method of verification in the form of a driver's license or a DMV issued ID card. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and described the dollar tested. We identified the amounts charged and inspected supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were identified as a result of this procedure.

9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with two third party service providers, Age Well Senior Services (Age Well) and California Yellow Cab (Yellow Cab) to provide senior transportation services under the Senior Mobility Program. We verified that Age Well and Yellow Cab were selected using a competitive procurement process through inspection of the City's Request for Proposal, bidding documents, and the executed agreement with both service providers. Per inspection of the contract agreement, we verified that wheelchair accessible vehicles are available and used as needed. The contract's Scope of Services section for Age Well and Yellow Cab states "All vehicles utilized by the contractor must be ADA approved lift-equipped, accessible vehicles" and "Upon request, the contractor must have the ability to offer seniors a wheelchair accessible taxi option" respectively. No exceptions were found as a result of our procedure.

10. We obtained the proof of insurance coverage for the City's Contractor and performed the following:
 - a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for both contractors, Age Well Senior Services and California Yellow Cab, and verified the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractors were submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (July 2017, November 2017, January 2018, and June 2018). Through inspection, we determined all four reports were timely submitted within 30 days of month end to OCLTA. No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.



Laguna Hills, California
March 12, 2019



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES – CITY OF SAN CLEMENTE**

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of San Clemente's (City) compliance with certain provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended June 30, 2018. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility of the Taxpayers Oversight Committee of the OCLTA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings were as follows:

1. We obtained and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the City to determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2018. We agreed the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings: The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Gas Tax Fund (012) under the OCTA Senior Center Transportation Account (861-44723). During the year ended June 30, 2018, the City incurred total program expenditures of \$84,007, which included \$14,590 as the City's General Fund match and \$16,801 as a match by the City's third party service provider. The M2 funded portion of \$52,616 is different from the M2 Expenditure Report (Schedule 2, Line 21 for Project U) of \$67,206, a difference of \$14,590. The City included portions of the match on the expenditure report as M2 funded expenditures. No other exceptions were found as a result of this procedure.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the fund balance of the City’s Measure M2 Senior Mobility Program as of June 30, 2018, agreed to the balance as listed on the City’s Expenditure Report (Schedule 1, line 24), and determined whether funds were expended within three years of receipt, explaining any differences. For payments received during the fiscal year ended June 30, 2018, we agreed to the amount listed as received on the City’s Expenditure Report (Schedule 2, line 8 for Project U), explaining any differences.

Findings: The City received \$214,394 for the past three fiscal years ended June 30, 2016, 2017 and 2018. The remaining fund balance was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Fund Balance</u>
2017/2018	Senior Mobility Program (M2)	\$ 23,107

We compared the fund balance of \$23,107 from the general ledger to the fund balance reported in the City’s Expenditure Report (Schedule 1, line 24), with no exceptions.

The City received \$73,349 during the fiscal year ended June 30, 2018 which agreed to the City’s Expenditure Report (Schedule 2, Line 8 for Project U). No exceptions were found as a result of this procedure.

4. We obtained and inspected the City’s interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. We agreed the amount reflected to the amount of interest listed on the City’s Expenditure Report (Schedule 2, line 8 – Project U), explaining any differences.

Findings: The City reported \$1,229 of interest income for the year ended June 30, 2018 which agreed to the City’s Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. We verified that the City satisfied the requirement of twenty percent (20%) matching of the total expenditures for the fiscal year ended June 30, 2018.

Findings: The total match expenditures amounted to \$31,391 which was approximately 37% of the total expenditures of \$84,007. No exceptions were found as a result of this procedure.

6. We selected a sample of Measure M2 Senior Mobility Program expenditures from the City’s general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:
 - a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: Measure M2 Senior Mobility Program expenditures tested totaled \$71,153 representing approximately 85% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. One trip identified was for transportation services that was not within the SMP Agency Service Plan (Service Plan) of the Cooperative Agreement (Agreement). The Service Plan specifies eligible trips are limited to senior center, nutrition, and shopping trips within the City of San Clemente. The trip identified had a pick up location in the City of Mission Viejo and was not for an eligible trip category per the City’s Service Plan. The total trip cost was \$30. No other exceptions were found as a result of this procedure.

7. We inquired as to the procedures used by the City to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Upon registration, the City reviews and validates date of birth documented on registration forms, to ensure participants are 60 years of age or older. No exceptions were found as a result of this procedure.

8. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we compared indirect costs identified to the amount reported on the City's Expenditure Report (Schedule 3, line 1), explaining any differences. If applicable, we selected a sample of charges, and described the dollar tested. We identified the amounts charged and inspected supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, Line 1), the City reported \$0 in indirect costs. Per discussions with the City's accounting personnel and inspection of the general ledger expenditure detail, no indirect costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. No exceptions were identified as a result of this procedure.

9. We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:
 - a. Verified that the Contractor was selected using a competitive procurement process.
 - b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well Senior Services (Age Well) to provide senior transportation services under the Senior Mobility Program. The contract, which was competitively procured, was originally executed for only a three-year initial term and one, two-year option term through June 30, 2016. In May 2016, City Council approved to contract with Age Well for another five years. The contract was extended through June 30, 2021 without a new competitive procurement. The City received a finding in the prior year Senior Mobility Program AUP and was required by OCLTA to competitively procure services for future fiscal years. We verified that wheelchair accessible vehicles are available and used as needed by including the Project U Program Guidelines as part of the amended contract.

The City issued a new RFP on May 17, 2018 for senior transportation services beginning August 21, 2018. Per inquiry with City management and inspection of related Council agenda items, the City competitively procured a contract with California Yellow Cab (Yellow Cab) for senior transportation services beginning in fiscal year 2018-19. We verified that Yellow Cab was selected using a competitive procurement process through inspection of the City's Request for Proposal, bidding documents, and the executed agreement with California Yellow Cab. Per inspection of the of the contract agreement, we verified that wheelchair accessible vehicles are available and used as needed. The contractor's scope of services states that California Yellow Cab's fleet consists of "ADA compliance wheelchair-access vans." No other exceptions were found as a result of this procedure.

10. We obtained the proof of insurance coverage for the City’s Contractor and performed the following:
- a. Inspected the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement.
 - b. Verified that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for Age Well, and verified the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City’s contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (July 2017, October 2017, January 2018, and June 2018). Through inspection, we determined two of four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
July 2017	September 5, 2017	6
October 2017	December 5, 2017	5
January 2018	February 12, 2018	-
June 2018	July 16, 2018	-

No other exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

At the request of OCLTA, the City’s responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City’s responses and express no assurance or opinion on them.

This report is intended solely for the information and use of the Board of Directors of the Orange County Local Transportation Authority and the Taxpayers Oversight Committee and is not intended to be, and should not be, used by anyone other than those specified parties.

Vavrinch, Travis, DMS & Co., LLP

Laguna Hills, California
 March 13, 2019



City of San Clemente City Manager

James Makshanoff, City Manager

Phone: (949) 361-8200 Fax: (949) 361-8309

makshanoffj@san-clemente.org

EXHIBIT 1

March 13, 2019

Board of Directors

Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility Program for the City of San Clemente as of and for the fiscal year ended June 30, 2018.

Procedure #2

We described which fund(s) the City used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2018. We agreed the amount listed as expended on the City's Expenditure Report (Schedule 2, line 21 for Project U), explaining any differences.

Findings:

The City's expenditures are tracked in the general ledger by fund, sub-project and object. The City records its Senior Mobility Program expenditures in its Gas Tax Fund (012) under the OCTA Senior Center Transportation Account (861-44723). During the year ended June 30, 2018, the City incurred total program expenditures of \$84,007, which included \$14,590 as the City's General Fund match and \$16,801 as a match by the City's third party service provider. The M2 funded portion of \$52,616 is different from the M2 Expenditure Report (Schedule 2, Line 21 for Project U) of \$67,206, a difference of \$14,590. The City included portions of the match on the expenditure report as M2 funded expenditures. No other exceptions were found as a result of this procedure.

City's Response:

Due to staff turnover, the individuals responsible are still becoming familiar with the reporting and tracking of costs related to this program and will correct this for FY 2018-19. The City will refile the FY 2017-18 Expenditure report with the adjustments in the findings above.

Procedure #6

We selected a sample of Measure M2 Senior Mobility Program expenditures from the City's general ledger expenditure detail, and have described the percentage selected for testing. For each item selected, we performed the following:

- a. Agreed the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings:

Measure M2 Senior Mobility Program expenditures tested totaled \$71,153 representing approximately 85% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2018. One trip identified was for transportation services that was not within the SMP Agency Service Plan (Service Plan) of the Cooperative Agreement (Agreement). The Service Plan specifies eligible trips are limited to senior center, nutrition, and shopping trips within the City of San Clemente. The trip identified had a pick up location in the City of Mission Viejo and was not for an eligible trip category per the City's Service Plan. The total trip cost was \$30. No other exceptions were found as a result of this procedure.

City's Response:

The City has evaluated the trip detail for FY 2017-18 and agrees with the findings above. With the new transportation service for FY 2018-19, the City has reviewed, and will continue to review, the details of the trip reports to make sure that only eligible services are provided and will deduct any ineligible costs on the next reimbursement request.

Procedure #9

We determined if the City contracts with a third party service provider to provide senior transportation service, and performed the following:

- a. Verified that the Contractor was selected using a competitive procurement process.
- b. Inspected the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings:

Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City contracted with Age Well Senior Services (Age Well) to provide senior transportation services under the Senior Mobility Program. The contract, which was competitively procured, was originally executed for only a three-year initial term and one, two-year option term through June 30, 2016. In May 2016, City Council approved to contract with Age Well for another five years. The contract was extended through June 30, 2021 without a new competitive procurement. The City received a finding in the prior year Senior Mobility Program AUP and was required by OCLTA to competitively procure services for future fiscal years. We verified that wheelchair accessible vehicles are available and used as needed by including the Project U Program Guidelines as part of the amended contract.

The City issued a new RFP on May 17, 2018 for senior transportation services beginning August 21, 2018. Per inquiry with City management and inspection of related Council agenda items, the City competitively procured a contract with California Yellow Cab (Yellow Cab) for senior transportation services beginning in fiscal year 2018-19. We verified that Yellow Cab was selected using a competitive procurement process through inspection of the City's Request for Proposal, bidding documents, and the executed agreement with California Yellow Cab. Per inspection of the of the contract agreement, we verified that wheelchair accessible vehicles are available and used as needed. The contractor's scope of services states that California Yellow Cab's fleet consists of "ADA compliance wheelchair-access vans." No other exceptions were found as a result of this procedure.

City's Response:

The City on future Request for Proposals will continue to make sure applicable services are included and clearly identified.

Procedure #11

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings:

We obtained and sampled four monthly summary reports, and determined the reports were submitted within thirty (30) calendar days of month end.

Findings: We sampled four monthly summary reports (July 2017, October 2017, January 2018, and June 2018). Through inspection, we determined two of four reports were timely submitted within 30 days of month end to OCLTA. OCLTA staff confirmed that reports were received on the following dates:

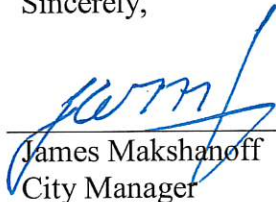
<u>Reporting Month</u>	<u>Date Submitted</u>	<u>Days Late</u>
July 2017	September 5, 2017	6
October 2017	December 5, 2017	5
January 2018	February 12, 2018	-
June 2018	July 16, 2018	-

No other exceptions were found as a result of this procedure.

City's Response:

Due to staff turnover, the City identified an individual to become familiar with the reporting and tracking of costs related to this program at the first of the calendar year (January 2018). This individual will continue to report on a timely basis.

Sincerely,



James Makshanoff
City Manager



Erik Sund
Assistant City Manager/
Director of Finance & Administrative
Services



Tom Bonigut
Director of Public Works