

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2014

**ORANGE COUNTY LOCAL
TRANSPORATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2014

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, 2014. Please refer to the individual divider tab for our report on each Agency.

City of Orange

City of Seal Beach

City of Westminster



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

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), solely to assist you in evaluating the City of Orange's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2014. 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. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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 performed and the results of those procedures 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.

Results: No exceptions were noted as a result of our procedures.

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2014.

Results: The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its Traffic Improvement Fund (263). During the fiscal year ended June 30, 2014, the City reported total program expenditures of \$74,588, which did not include the City's match. The City contracts with Orange Elderly Services (OES), a nonprofit organization, to run the City's senior mobility services program. As part of the agreement with OES, the City requests OES to provide a 20% match as an in-kind donation to the City. OES maintains its own ledger to track expenditures, separate from the City. No exceptions were noted as a result of our procedures.

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 cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2014 and determined whether funds were expended within three of years of receipt.

Results: The City received \$321,002 over the past three fiscal years of Measure M2 Senior Mobility Program funds. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Senior Mobility (M2)	\$ 10,680
2012/2013	Senior Mobility (M2)	\$ 104,919
2013/2014	Senior Mobility (M2)	\$ 111,284

4. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: Based on our review of the general ledger and discussion with City accounting personnel, the Measure M2 Senior Mobility Program was not allocated any interest during the year ended June 30, 2014.

5. We verified that the City satisfied the requirement of a twenty percent (20%) match of the total annual formula allocation.

Results: During the fiscal year ended June 30, 2014, the City reported total program expenditures of \$74,588, which did not include the City's match. The City contracts with Orange Elderly Services (OES), a nonprofit organization, to run the City's senior mobility services program. As part of the agreement with OES, the City requests OES to provide a 20% match as an in-kind donation to the City. OES maintains its own ledger to track expenditures, separate from the City. We note OES reported \$103,530 of expenditures, which included \$28,942 of match expenditures. We obtained and reviewed \$35,070 in OES expenditures, representing 34% of OES expenditures, noting all expenditures relate to monthly senior mobility services paid to Western Transit Systems, a third party service provider. No exceptions were noted as a result of our procedures.

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

Results: A total of \$74,588 in expenditures was tested, representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014. No exceptions were noted as a result of our procedures.

7. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014 did not include indirect costs. No exceptions were noted as a result of our procedures.

8. We determined if the City contracts with a third party service provider for senior transportation service, and performed the following:
 - a. Verified that the contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure the inclusion of the term: “Wheelchair accessible vehicles are available and used when requested.”

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City contracts with OES to run the senior mobility program. OES contracts with a third party service provider, Western Transit System, for senior transportation services. Per review of the bid ratings for three separate proposals, and review of OES’ board minutes, the contractor was selected using a competitive procurement process. Per review of the contract agreement, inclusion of the term “Wheelchair accessible vehicles are available and used when requested” was not present. However, the agreement included a clause which stated: “All vehicles utilized by Contractor must be ADA approved, lift, equipped, accessible vehicles.” No other exceptions were noted as a result of our procedures.

9. We obtained proof of insurance coverage for the City’s contractor (if applicable) and we performed the following:
 - a. Reviewed the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Verified the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City contracts with OES to run the senior mobility program. OES contracts with a third party service provider, Western Transit System. We obtained and reviewed the insurance coverage for Western Transit System, and noted requirements established in the Cooperative Agreement were met. Additionally, we note the current year proof of insurance was submitted and is on file with OCLTA. No exceptions were noted as a result of our procedures.

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

Results: Through review of the monthly summary reports prepared and submitted by OES, it was noted that the OCLTA monthly contribution amount agreed to the City’s general ledger, and reports were submitted to OCLTA. However, three of four reports tested, for the months of September 2013, November 2013, and January 2014, were not submitted within 30 calendar days of month end. No other exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion 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. 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.

Vavinich Train, Douglas Co, CA

Laguna Hills, California
December 19, 2014



CITY OF ORANGE

FINANCE DIRECTOR
(714) 744-2234
• www.cityoforange.org
FAX: (714) 744-2245

December 19, 2014

Vavrinek, Trine, Day & Co., LLP
 25231 Paseo De Alicia, Suite 100
 Laguna Hills, California 92653

In connection with your engagement to apply agreed-upon procedures to assist the Orange County Local Transportation Authority (OCLTA) in evaluating the City of Orange, California's compliance with the provisions of Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2014, you identified findings for the following Agreed Upon Procedures for the period ending June 30, 2014:

Procedure 4: You reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: Based on your review of the general ledger and discussion with City accounting personnel, the Measure M2 Senior Mobility Program was not allocated any interest during the year ended June 30, 2014.

Response: The City acknowledges this finding and, effective July 1, 2014 interest has been recalculated for the three years of the Measure M2 program. We have allocated interest to the Senior Mobility Program based on its cash balance after taking into account cash received less properly allocable program expenditures for each program year.

Procedure 8: You determined if the City contracts with a third party service provider for senior transportation service, and performed the following:

- a. Verified that the contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure the inclusion of the term: "Wheelchair accessible vehicles are available and used when requested."

Results: Based on your review of the general ledger expenditure detail and discussion with City accounting personnel, the City contracts with Orange Elderly Services (OES) to run the senior mobility program. OES contracts with a third party service provider, Western Transit System, for senior transportation services. Per review of the bid ratings for three separate proposals, and review of OES' board minutes, the contractor was selected using a competitive procurement process.

Per review of the contract agreement, inclusion of the term "Wheelchair accessible vehicles are available and used when requested" was not present. However, the agreement included a clause which stated: "All vehicles utilized by Contractor must be ADA approved, lift, equipped, accessible vehicles." No other exceptions were noted as a result of your procedures.

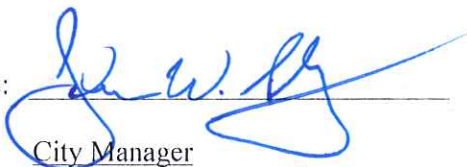
Response: The City acknowledges this finding and the language will be reflected in all future agreements.

Procedure 10: You obtained and sampled monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Results: Through review of the monthly summary reports prepared and submitted by OES, it was noted that the OCLTA monthly contribution amount agreed to the City's general ledger, and reports were submitted to OCLTA. However, three of four reports tested, for the months of September 2013, November 2013, and January 2014, were not submitted within 30 calendar days of month end. No other exceptions were noted as a result of your procedures.

Response: For all three reports that were submitted after the 30 day period, OES staff had received invoices from the provider that did not match their records. They requested amended invoices from the provider; however, those were not received in time to make the 30 day deadline. Those reports were submitted as soon as it was possible.

Signature: _____



Title: _____

City Manager

Signature: _____



Title: _____

Finance Director



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES —CITY OF SEAL BEACH**

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), solely to assist you in evaluating the City of Seal Beach's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2014. 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. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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 performed and the results of those procedures 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.

Results: No exceptions were noted as a result of our procedures.

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2014.

Results: The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its General Fund and Air Quality Improvement Fund. During the fiscal year ended June 30, 2014, the City reported total program expenditures of \$200,286, which included the City's match. No exceptions were noted as a result of our procedures.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made by OCLTA to the City and calculated the amount the City received by the City for the past three fiscal years. We obtained the cash balance of the City’s Measure M2 Senior Mobility Program as of June 30, 2014 and determined whether funds were expended within three of years of receipt.

Results: The City received \$175,653 over the past three fiscal years of Measure M2 Senior Mobility Program funds. The remaining cash balance for these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2013/2014	Senior Mobility (M2)	\$ 7,811

No exceptions were noted as a result of our procedures.

4. We reviewed the City’s interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: No exceptions were noted as a result of our procedures.

5. We verified that the City satisfied the requirement of a twenty percent (20%) match of the total annual formula allocation.

Results: The total match expenditures amounted to \$128,733, which is approximately 180% of the total annual formula allocation of \$71,553. No exceptions were noted as a result of our procedures.

6. We haphazardly selected a sample of Measure M2 Senior Mobility Program expenditures from the City’s general ledger expenditure detail. For the expenditures selected, we performed the following:

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

Results: A total of \$200,286 in expenditures was tested, representing 100% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014. No exceptions were noted as a result of our procedures.

7. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014 did not include indirect costs. No exceptions were noted as a result of our procedures.

8. We determined if the City contracts with a third party service provider for senior transportation service, and performed the following:

- a. Verified that the contractor was selected using a competitive procurement process.
- b. Reviewed the contract agreement to ensure the inclusion of the term: “Wheelchair accessible vehicles are available and used when requested.”

Results: Based on our review of the general ledger expenditure detail and discussion with City finance personnel, the City contracted with Western Transit Systems, a third party service provider for senior transportation services. We verified that Western Transit Systems was selected using a competitive procurement process through review of the City's Request for Proposal, Board minutes, and the executed agreement with Western Transit Systems. Per review of the contract agreement, inclusion of the term "Wheelchair accessible vehicles are available and used when requested" was not present. However, the City asserts that Western Transit Systems only uses wheelchair accessible vehicles for the senior transportation services provided to the City. No other exceptions noted as a result of our procedures.

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
 - a. Reviewed the insurance coverage to ensure the terms satisfy 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.

Results: We obtained and reviewed the insurance coverage for the City's contractor, Western Transit Systems, and noted requirements established in the Cooperative Agreement were met. Additionally, we note the current year proof of insurance was submitted and is on file with OCLTA. No exceptions were noted as a result of our procedures.

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

Results: Through review of the City's monthly summary reports, it was noted that the City's monthly expense reported agreed to supporting documentation, and reports were submitted to OCLTA. However, two of four reports tested, for the months of November 2013 and May 2014, were not submitted within 30 calendar days of month end. No other exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion 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. 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
December 19, 2014



December 19, 2014

EXHIBIT 1

RESPONSE TO FINDINGS

In accordance with the "Findings" related to the Senior Mobility Programs, the City of Seal Beach (COSB) provides the following responses:

- COSB agrees with the findings for items 1 through 7, and 9 as presented.

- Item 8 Finding: ***Based on our review of the general ledger expenditure detail and discussion with City finance personnel, the City contracted with Western Transit Systems, a third party service provider for senior transportation services. We verified that Western Transit Systems was selected using a competitive procurement process through review of the City's Request for Proposal, Board minutes, and the executed agreement with Western Transit Systems. Per review of the contract agreement, inclusion of the term "Wheelchair accessible vehicles are available and used when requested" was not present. However, the City asserts that Western Transit Systems only uses wheelchair accessible vehicles for the senior transportation services provided to the City. No other exceptions noted as a result of our procedures.***
 - Response: COSB affirms the assertion that Western Transit Systems only uses wheelchair accessible vehicles for the senior transportation services provided to the City. The City will include the "Wheelchair accessible vehicles are available and used when requested" language on the next renewal agreement.

- Item 10 Finding: ***We obtained and sampled monthly summary reports, and it was noted that two of four reports tested for the months of November 2013 and May 2014, were not submitted with 30 calendar days of month end.***
 - Response: COSB is reviewing the monthly summary report submission procedures with responsible staff and will take the steps necessary to ensure the reports are submitted in the timely manner prescribed.

Signature: _____

W. Beatty

Title: _____

*DIRECTOR OF FINANCE/
CITY TREASURER*

Signature: _____

Jill R. Ingram

Title: _____

City Manager



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES —CITY OF WESTMINSTER**

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), solely to assist you in evaluating the City of Westminster's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2014. 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. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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 performed and the results of those procedures 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.

Results: No exceptions were noted as a result of our procedures.

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2014.

Results: The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its Community Service Grant Fund (290). During the fiscal year ended June 30, 2014, the City reported total program expenditures of \$93,795, which includes the City's match.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made by OCLTA to the City and calculated the amount the City received by the City for the past three fiscal years. We obtained the cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2014 and determined whether funds were expended within three of years of receipt.

Results: City received \$252,410 over the past three fiscal years of measure M2 Senior Mobility Program funds. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Senior Mobility (M2)	\$ 16,523
2012/2013	Senior Mobility (M2)	\$ 87,822
2013/2014	Senior Mobility (M2)	\$ 76,866

Based on our review of the general ledger and discussion with City accounting personnel, the City reflects the match funds in the Community Service Grant Fund (290), and as such, the cash balance includes unspent match revenues, in addition to M2 Senior Mobility Program funding.

4. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M2 Senior Mobility Program Fund.

Results: No exceptions were noted as a result of our procedures.

5. We verified that the City satisfied the requirement of a twenty percent (20%) match of the total annual formula allocation.

Results: The City transferred \$28,000 to the Community Service Grant Fund (290) as a local match, which is approximately 30% of the total annual formula allocation of \$93,150. No exceptions were noted as a result of our procedures.

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

Results: A total of \$15,220 in expenditures was tested, representing approximately 16% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014. No exceptions were noted as a result of our procedures.

7. We identified whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, indirect costs were charged as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2014. Indirect expenditures tested totaled \$9,903. No exceptions were noted as a result of our procedures.

8. We determined if the City contracts with a third party service provider for senior transportation service, and performed the following:
 - a. Verified that the contractor was selected using a competitive procurement process.
 - b. Reviewed the contract agreement to ensure the inclusion of the term: "Wheelchair accessible vehicles are available and used when requested."

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provide for senior transportation service. No exceptions were noted as a result of our procedures.

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
 - a. Reviewed the insurance coverage to ensure the terms satisfy 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.

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the City did not contract with a third party service provider for senior transportation service. However, per review of the City's Cooperative Agreement, the City was required to maintain insurance coverage. We obtained and reviewed the insurance coverage for the City, and noted requirements established in the Cooperative Agreement were met. Additionally, we note the current year proof of insurance was submitted and is on file with OCLTA. No exceptions were noted as a result of our procedures.

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

Results: Through review of the City's monthly summary reports, it was noted that the City used estimates of monthly expenditures from FY 12/13 instead of actual expenditures on the reports submitted to OCLTA. As such, monthly expenditures per the monthly reports tested did not agree to the general ledger detail for the month. Additionally, three of four reports tested, for the months of August 2013, February 2014, and May 2014, were not submitted within 30 calendar days of month end. No other exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion 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. 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
December 19, 2014



City of Westminster

8200 Westminster Boulevard, Westminster, CA 92683 714.898.3311
www.westminster-ca.gov

December 19, 2014

THE CITY OF WESTMINSTER RESPONSES TO NOTED FINDINGS

For the Fiscal Year Ended June 30, 2014

The City of Westminster respectfully submits the following responses:

Name and address of the independent public accounting firm:

Vavrinek, Trine, Day & Co., LLP
25231 Paseo De Alicia, Suite 100
Laguna Hills, CA 92653

Audit Period:

July 1, 2013 to June 30, 2014

The findings from December 19, 2014 Independent Accountants' Report on Applying Agreed-Upon Procedures – City of Westminster.

FINDING-(10.) We obtained and sampled monthly summary reports, and determined the reports were properly prepared and submitted within thirty (30) calendar days of month end.

Results: Through review of the City's monthly summary reports, it was noted that the City used estimates of monthly expenditures from FY 12/13 instead of actual expenditures on the reports submitted to OCLTA. As such, monthly expenditures per the monthly reports tested did not agree to the general ledger detail for the month. Additionally, three of four reports tested, for the months of August 2013, February 2014, and May 2014, were not submitted within 30 calendar days of month end.

Action Taken: The City will file all reports within the 30 calendar days of month end deadline, and amounts will include actual expenditure which will agree to the general ledger.

If you have any questions regarding this response, please contact Diana Dobbert, Community Services Director, at 714-548-3665.

Sincerely yours,

Eddie Manfro
City Manager

Michael Solorza
Administrative Services Director

TRI TA
Mayor

SERGIO CONTRERAS
Mayor Pro Tem

DIANA LEE CAREY
Council Member

TYLER DIEP
Council Member

MARGIE L. RICE
Council Member

EDDIE MANFRO
City Manager