

## **MEETING AGENDA**

### **1. Welcome**

### **2. Approval of Minutes for February 9, 2021**

### **3. Action Items**

#### **A. Review of OCLTA Measure M2 Maintenance of Effort Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30, 2020 – Eide Bailly, LLP**

Jessica Anderson, Partner, Eide Bailly, LLP

- OCLTA Measure M2 Maintenance of Effort Agreed-Upon Procedures Report, City of Santa Ana, Year Ended June 30 2020

#### **B. Review of OCLTA Measure M2 Agreed-Upon Procedures Reports – Crowe LLP**

Jennifer Richards, Partner, and Joseph Widjaja, CPA, Crowe LLP

- OCLTA Measure M2 Local Fair Share Agreed-Upon Procedures Reports, Year Ended 2020
- OCLTA Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports, Year Ended 2020
- OCLTA Measure M2 Senior Non-Emergency Medical Transportation Program Agreed-Upon Procedures Report, Year Ended 2020

#### **C. Proposed Changes to Agreed-Upon Procedures and Selection of Jurisdictions**

Janet Sutter, Executive Director, Internal Audit

- OCLTA Measure M2 Local Fair Share Agreed-Upon Procedures, Year Ended 2021
- Measure M Jurisdictions – Suggested Selection for Fiscal Year 2020-21

#### **D. Annual Adoption of Audit Charter**

Janet Sutter, Executive Director, Internal Audit

- TOC Audit Subcommittee Audit Charter, April 2021

### **4. Presentation Items**

#### **A. M2 Ordinance Compliance Matrix**

Francesca Ching, Program Manager, Planning

### **5. Public Comments\***

### **6. Adjournment**

*The next meeting is scheduled for June 8, 2021*

\*Public Comments: At this time, members of the public may address the Taxpayer Oversight Committee (TOC) regarding any items within the subject matter jurisdiction of the TOC, provided that no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per person, unless different time limits are set by the Chairman, subject to the approval of the TOC.

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

**Measure M Taxpayer Oversight Committee  
Audit Subcommittee  
Orange County Transportation Authority  
550 S. Main Street, Orange CA  
Teleconference  
February 9, 2021 @ 4:00 p.m.**

**MEETING MINUTES**

**Committee Members Present:**

Frank Davies, County of Orange Auditor-Controller  
Mark Kizzar, Second District Representative  
Tuan Nguyen, Third District Representative  
Larry Lang, Fourth District Representative  
Michael Pascual, Fourth District Representative

**Orange County Transportation Authority Staff Present:**

Christina Byrne, Department Manager, Public Outreach  
Francesca Ching, Section Manager, M2 Program Management Office  
Jared Hill, Associate Community Relations Specialist, Public Outreach  
Sean Murdock, Director, Finance and Administration  
Andrew Oftelie, Chief Financial Officer, Finance and Administration  
Alice Rogan, Director, External Affairs  
Janet Sutter, Executive Director, Internal Audit

**Recorder:**

Teri Lepe, Executive Assistant, Internal Audit

**Guests:**

Kathy Lai, Partner, Crowe LLP  
Erika Alvarez, Engagement Manager, Crowe LLP

**1. Welcome**

Mr. Frank Davies called the Orange County Transportation Authority (OCTA) Taxpayer Oversight Committee (TOC) Audit Subcommittee (AS) meeting to order at 4:00 p.m.

Mr. Davies stated for the record that Governor Gavin Newsom's executive order authorizes local legislative bodies to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the novel coronavirus (COVID-19). Mr. Davies further stated this meeting is accessible to the public through OCTA's website.

Ms. Alice Rogan, Director, External Affairs, conducted an attendance roll call and announced full attendance by AS members.

## **2. Approval of the Minutes for June 9, 2020**

*A motion was made by Mr. Michael Pascual, seconded by Mr. Mark Kizzar, and following a roll call vote, declared passed 5-0, to approve the TOC AS meeting minutes of June 9, 2020.*

## **3. Presentation Item**

### **A. Measure M2 Triennial Performance Assessment Update**

Ms. Francesca Ching, Section Manager, M2 Program Management Office, stated that as a taxpayer safeguard, the Measure M2 (M2) Ordinance requires that a triennial performance assessment, conducted by an independent consultant, be performed every three years, to provide insight into the Orange County Transportation Authority's (OCTA) effectiveness in implementing the ordinance.

OCTA is ready to initiate the procurement process for a triennial performance assessment agreement covering fiscal years 2018-19 through 2020-2021; Mr. Pascual has volunteered to sit on the selection panel for the agreement. The assessment agreement is anticipated to be executed by July 1, 2021.

## **4. Action Items**

### **A. External Auditor Communications/Annual Audit and Agreed-Upon Procedures Reports – Crowe LLP**

Ms. Kathy Lai, Partner, Crowe LLP (Crowe), stated that Crowe was engaged to express an opinion as to whether or not the financial statements are fairly presented in all material respects, in accordance with Generally Accepted Accounting Principles (GAAP).

Ms. Lai was pleased to announce that Crowe has issued an unmodified opinion, which states that the financial statements are fairly stated in accordance with GAAP, and that Crowe did not identify any reportable significant deficiencies or material weaknesses in internal controls. Crowe issued one recommendation to implement a procedure to track and monitor property acquisitions, at least on an annual basis, to ensure properties meeting the criteria for capitalization are timely recorded in the financial statements.

Regarding the two agreed-upon procedures reports, Ms. Lai conveyed that Crowe performed all the procedures without exception.

*A motion was made by Mr. Kizzar, seconded by Mr. Tuan Ngueyen, and following a roll call vote, declared passed 5-0, to find OCTA in compliance with the Measure M2 Ordinance for FY 2020.*

## B. Review of Second Quarter M2 Revenue and Expenditure Report

Mr. Sean Murdock, Director, Finance and Administration, summarized that M2 sales tax revenues collected for the second quarter ended December 31, 2020, was \$81 million. OCTA received \$19 million in grant revenues for the second quarter, primarily associated with expenditures for three freeway projects. The majority of expenditures related to the Freeway Mode for the second quarter totaled \$147 million, of which \$110 million were centered around the I-405 project, and \$7 million for the I-5 South project. The Streets and Roads mode had \$21 million in expenditures, of which \$11 million was driven by the Local Fair Share program and \$7 million for the Regional Capacity program. The Transit mode showed \$16 million in expenditures, driven primarily by \$13 million for the OC Streetcar project.

*A motion was made by Mr. Larry Lang, seconded by Mr. Pascual, and following a roll call vote, declared passed 5-0, to receive and file the Second Quarter M2 Revenue and Expenditure Report.*

## 5. Public Comments

Ms. Rogan informed the TOC AS that no public comments had been submitted before the deadline.

## 6. Adjournment

The Measure M TOC AS meeting adjourned at 4:22 p.m. The next regularly scheduled meeting will be at **4 p.m. on Tuesday, April 13, 2021**, in Conference Room 08 of the 550 Building, OCTA Headquarters.



**March 24, 2021**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Orange County Local Transportation Authority Measure M2  
Maintenance of Effort, Agreed-Upon Procedures Report, City of  
Santa Ana, Year Ended June 30, 2020

### **Overview**

Eide Bailly LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 maintenance of effort expenditures by the City of Santa Ana, for the fiscal year ended June 30, 2020.

### **Recommendation**

Direct staff to monitor implementation of corrective action by the City of Santa Ana.

### **Background**

The Local Fair Share (LFS) program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation expenditures, each jurisdiction is typically required to maintain a minimum level of local street and road expenditures to conform to a defined maintenance of effort (MOE) requirement.

On May 13, 2019, the Orange County Transportation Authority (OCTA) Board of Directors (Board) directed staff to conduct audits of the City of Santa Ana (City) for the fiscal years (FY) ending June 30, 2019 and June 30, 2020, to assess full (100 percent) compliance with MOE requirements, and to increase the MOE requirement for FY 2018-19 by the MOE shortfall amount identified in the FY 2017-18 audit.

The audit for FY 2018-19 found that the City spent sufficient funds to meet the required minimum MOE and the shortfall amount, from FY 2017-18.

On June 22, 2020, in direct response to impacts from the coronavirus, the Board approved an amendment to the Orange County Local Transportation Authority Measure M2 Ordinance to remove minimum MOE requirements for cities receiving Local Fair Share funds during FY 2019-20. As a result of the change, the Board also approved revisions to the audit procedures to be applied to the City for FY 2019-20 to remove the requirement for a 100 percent audit of MOE expenditures.

***Discussion***

Eide Bailly LLP (auditors), tested \$7,720,809 in MOE expenditures, representing 53 percent of the City's total expenditures of \$14,518,020. Testing identified \$30,715 in disallowed expenditures, and \$759,932 of questioned expenditures. The City responded that procedures will be improved to ensure proper identification and coding of MOE expenditures.

The detailed report, along with the City's response, can be found in Attachment A.

***Summary***

The auditors have completed agreed-upon procedures related to Measure M2 MOE expenditures for the City, for FY ended June 30, 2020.

***Attachment***

- A. Measure M2 Maintenance of Effort Agreed-Upon Procedures Report Year Ended June 30, 2020 Orange County Local Transportation Authority - City of Santa Ana, California

**Approved by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591



Measure M2 Maintenance of Effort  
Agreed-Upon Procedures Report  
Year Ended June 30, 2020

**Orange County**  
**Local Transportation Authority –**  
**City of Santa Ana, California**

Orange County Local Transportation Authority  
City of Santa Ana, California  
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Year Ended June 30, 2020

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

The 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 Board of Directors of the Orange County Local Transportation Authority (OCLTA) (the specified party), on the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. The sufficiency of these procedures is solely the responsibility 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 the Fiscal Year 2020 Expenditure Report for the City and identified the amount reported as spent on Maintenance of Effort (MOE) expenditures (Schedule 3, Line 18).

**Findings:** MOE expenditures for the fiscal year ended June 30, 2020 totaled \$14,518,020 per the City's Expenditure Report (Schedule 3, line 18). No exceptions were found as a result of this procedure.

2. We documented which funds the City used to track all street and road expenditures and inquired how the City identifies MOE expenditures in its general ledger.

**Findings:** All MOE expenditures were tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund under the following accounting units: Roadway Markings/Signs (AU 01117625), Street Light Maintenance (AU 01117630), Street Trees (AU 01117643), Street Lights (AU 05117620), Traffic/Transportation Engineering (AU 01117620), and Graffiti Abatement Program (AU 01117642). No exceptions were found as a result of this procedure.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2020 and determined whether the City met the minimum MOE requirement. We agreed the total MOE expenditures to the amount reported on the City's Expenditure Report (Schedule 3, line 18), explaining any differences.

**Findings:** The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$14,518,020 (see Schedule A), which exceeded the requirement. We agreed the total expenditures of \$14,518,020 to the amount reported on the City's Expenditure Report (Schedule 3, line 18) with no differences. No exceptions were found as a result of this procedure.

4. We tested a sample of MOE 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 may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
  - b. Verified that the expenditure was properly classified as a local street and road expenditure and was allowable per the Ordinance.

**Findings:** MOE expenditures tested totaled \$7,720,809, representing approximately 53% of the total MOE expenditures for the fiscal year ended June 30, 2020. Of the total tested, we identified the following exceptions:

- \$30,715 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$346,807 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.
- \$406,125 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 25% error rate.

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 Local Transportation Ordinance. 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 purposes 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 9, 2021

Orange County Local Transportation Authority  
City of Santa Ana, California  
Schedule of Measure M2 Maintenance of Effort Expenditures (Unaudited)  
Year Ended June 30, 2020

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Maintenance of Effort (MOE) Expenditures

Maintenance	
Street Lights & Traffic Signals - Schedule 3, line 13	\$ 9,033,125
Other Street Purpose Maintenance - Schedule 3, line 15	4,049,090
Construction	
Signals, Safety Devices & Street Lights - Schedule 3, line 4	21,960
Indirect and/or Overhead - Schedule 3, line 1	<u>1,413,845</u>
Total MOE expenditures	<u>14,518,020</u>
Direct MOE expenditures tested	6,387,996
Indirect MOE expenditures tested	<u>1,332,813</u>
Total MOE expenditures Tested	<u>7,720,809</u>
Ineligible costs identified	30,715
Questioned costs identified (non-graffiti removal)	346,807
Questioned costs identified (graffiti removal)	<u>406,125</u>
Total exceptions	<u>783,647</u>
Total allowable MOE expenditures tested	<u><u>\$ 6,937,162</u></u>

Note:

The above amounts were taken directly from the financial records of the City of Santa Ana and were not audited.

MAYOR  
Vicente Sarmiento  
MAYOR PRO TEM  
David Penalzoa  
COUNCILMEMBERS  
Phil Bacerra  
Johnathan Ryan Hernandez  
Jessie Lopez  
Nelida Mendoza  
Thai Viet Phan



CITY MANAGER  
Kristine Ridge  
CITY ATTORNEY  
Sonia R. Carvalho  
CLERK OF THE COUNCIL  
Daisy Gomez

**CITY OF SANTA ANA**

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March 9, 2021

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

The following response from City of Santa Ana Management addresses results of the agreed upon procedures performed for the Measure M2 Local Transportation Ordinance for the year ended June 30, 2020.

**Procedure #4**

Auditor tested a sample of MOE expenditures from the City’s general ledger expenditure detail. For each item selected, Auditor 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 voucher or other appropriate supporting documentation. For indirect charges, we reviewed supporting documentation for reasonableness and appropriate methodology.
- b. Verified that the expenditure was properly classified as a local street and road expenditure and was allowable per the Ordinance.

**Findings:** MOE expenditures tested totaled \$7,720,809, representing approximately 53% of the total MOE expenditures for the fiscal year ended June 30, 2020. Of the total tested, Auditor identified the following exceptions:

- \$30,715 of expenditures were not allowable per the Ordinance, as they were not local street and road expenditures.
- \$346,807 of expenditures were questioned due to lack of support demonstrating that the expenditures were eligible local street and road expenditures.

SANTA ANA CITY COUNCIL

Vicente Sarmiento  
Mayor  
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- \$406,125 in graffiti removal expenditures were questioned after testing of the City's methodology for allocating these costs and identified a 25% error rate.

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

**City's Response:**

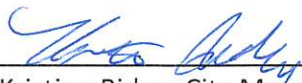
The City expended \$14,518,020 in MOE related expenditures during the fiscal year 2019-20, which exceeds prior year's requirements for MOE compliance.

The City's Public Works Agency (PWA) will continue to review and monitor department procedures to ensure proper identification and coding of Maintenance of Effort (MOE) expenditures.

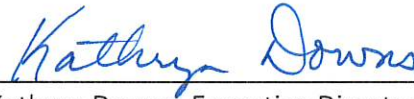
- During the current and future fiscal years, PWA will ensure MOE-eligible expenditures are properly coded to account numbers assigned to the program, which will make future documentation processes more accurate.
- During the current and future fiscal years, PWA will adopt a budgeting methodology that limits the need for allocating labor costs. If allocation is necessary, the labor distributions will be based on a Cost Allocation Plan prepared by a consultant.

With the implementation of procedures noted above, the City will continue to meet its requirement for MOE compliance.

Sincerely,



Kristine Ridge, City Manager



Kathryn Downs, Executive Director  
Finance and Management Services Agency



Nabil Saba, Executive Director  
Public Works Agency

SANTA ANA CITY COUNCIL



**March 24, 2021**

**To:** Finance and Administration Committee

**From:** Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director  
Internal Audit Department

**Subject:** Orange County Local Transportation Authority Measure M2  
Agreed-Upon Procedures Reports, Year Ended June 30, 2020

### **Overview**

Crowe LLP, an independent accounting firm, has applied agreed-upon procedures related to Measure M2 Local Fair Share funds provided to seven cities, Senior Mobility Program funds provided to six cities, and Senior Non-Emergency Medical Transportation funds provided to the County of Orange for the fiscal year ended June 30, 2020. Local Fair Share program reports include observations of ineligible maintenance of effort expenditures, misreporting of direct or indirect costs, misreporting of expenditures, and a funded project not reflected in the city's Seven-Year Capital Improvement Program plan. Senior Mobility Program reports include observations relating to late submission of a monthly report, third-party contracting, misreporting of expenditures, failure to allocate interest, and overcharge of administrative costs.

### **Recommendation**

Direct staff to monitor implementation of corrective actions proposed by the cities.

### **Background**

Annually, the Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee selects a sample of local jurisdictions receiving Measure M2 (M2) funding for audit, to determine the local jurisdictions' level of compliance with provisions of the M2 Ordinance. For the fiscal year (FY) ended June 30, 2020, the Subcommittee selected seven cities for review of Local Fair Share (LFS) program funding, and six cities for review of Senior Mobility Program (SMP) funding. The County of Orange (County) was also selected for review of Senior

Non-Emergency Medical Transportation (SNEMT) program funding. The agreed-upon procedures (AUP) applied for these reviews were approved by the Subcommittee.

The LFS program is a formula-based allocation provided to eligible jurisdictions for use on allowable transportation planning and implementation activities. Since the LFS program is intended to augment, not replace, existing transportation expenditures, each jurisdiction is typically required to maintain a minimum level of local street and road expenditures to conform to a defined maintenance of effort (MOE) benchmark requirement. However, in response to the impacts of the coronavirus pandemic, the Board of Directors approved an amendment to the Orange County Local Transportation Authority M2 Ordinance to allow agencies to report actual MOE, which could be below the benchmark for FY 2019-20. Cities are required to submit copies of their Seven-Year Capital Improvement Plan, reflecting projects that will be funded with LFS.

The SMP funds local community transportation services for seniors. This program provides up to 80 percent of the funding for these services, and participating local jurisdictions provide a 20 percent match. Seniors must be age 60 or older to be eligible to participate in the program. A cooperative agreement, along with a written service plan, is executed between the local jurisdiction and OCLTA, to outline requirements of the program and to describe services to be provided. Consistent with the program guidelines, cities are required to submit monthly SMP activity reports within 30 days of month end.

The SNEMT program supplements existing countywide services that are funded with Tobacco Settlement Revenues (TSR). Since the SNEMT program is intended to supplement, not replace, existing TSR expenditures, the County is required to allocate the same percentage of TSR funding that was allocated in November 2006. A cooperative agreement between the County and OCLTA outlines program requirements. Through the terms of this agreement, the County is required to submit quarterly SNEMT activity reports within 45 days of quarter end.

All M2 revenues, interest earned on net revenues, expenditures, and expenditures of earned interest are required to be reflected on an annual expenditure report. The expenditure report requires certification by the respective city's finance director and must be adopted by the city council and filed with OCLTA within six months of FY end.

### ***Discussion***

Crowe LLP (auditors), conducted interviews of city finance and program-related staff, and applied the AUP, including testing of expenditures for compliance with

program requirements, review of indirect costs for adequate support and reasonableness, testing to ensure allocation of interest, and testing of annual expenditure reports for accuracy.

AUP: LFS Program Funds

The auditors examined the cities of Brea, Costa Mesa, Laguna Hills, Lake Forest, La Palma, Placentia, and Tustin. No observations resulted from the audit of the City of Lake Forest.

At two cities, the auditors identified expenditures that were not properly classified as MOE expenditures. At six cities, the auditors identified reporting errors related to amounts reported on the cities' expenditure reports and at one city, LFS expenditures were charged to a project not listed on the city's Seven-Year Capital Improvement Project program report.

A summary of all findings and city management responses can be found in Attachment A, and the detailed reports, along with written management letters, can be found at Attachment B.

AUP: SMP Funds

The auditors examined the cities of Brea, Cypress, Costa Mesa, Laguna Hills, Placentia, and Stanton. No observations resulted from the audits of the cities of Costa Mesa, Cypress, and Stanton.

Two cities failed to allocate and report interest to the SMP program. One city continued to utilize a third party to provide senior transportation services under an agreement that was effective for the calendar year 2014, and one subsequent year. Another city overcharged the SMP program for indirect/administrative costs, misreported total SMP expenditures on its expenditure report, and submitted one monthly report late.

A summary of all findings and city management responses can be found at Attachment C, and the detailed reports, along with written management letters, can be found at Attachment D.

AUP: SNEMT Program Funds

No observations resulted from the audit of the County.

The detailed report can be found at Attachment E.



***Summary***

The auditors have completed AUP related to M2 LFS, SMP, and SNEMT funds provided to nine cities and the County, for the FY ended June 30, 2020.

***Attachments***

- A. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Local Fair Share for the Year Ended June 30, 2020
- B. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2020
- C. Summary of Agreed-Upon Procedures Reports Orange County Local Transportation Authority Measure M2 Senior Mobility Program for the Year Ended June 30, 2020
- D. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Reports Year Ended June 30, 2020
- E. Orange County Local Transportation Authority Measure M2 Senior Non-Emergency Medical Transportation Program Agreed-Upon Procedures Report, County of Orange, Year Ended June 30, 2020

**Authorized by:**



Janet Sutter  
Executive Director, Internal Audit  
714-560-5591

**SUMMARY OF AGREED-UPON PROCEDURES REPORTS**  
**Orange County Local Transportation Authority**  
**Measure M2 Local Fair Share for the Year Ended June 30, 2020**

City	Result	City Management Response
Brea	The City of Brea's (Brea) expenditure report reflected \$0 in indirect costs charged as maintenance of effort (MOE) expenditures; however, testing identified indirect expenditures were charged to the MOE.	Brea has learned as part of this review that certain staff costs should be considered indirect, due to the manner in which the costs are charged to the program. Brea now has clarification on how these costs should be listed for reporting purposes.
Costa Mesa	The City of Costa Mesa (Costa Mesa) reported total MOE expenditures of \$9,713,495, on its expenditure report. Actual expenditures, per the general ledger, totaled \$9,413,495, a variance of \$300,000. The variance resulted from a clerical error.	Costa Mesa has implemented an additional layer of review to ensure accuracy.
Laguna Hills	The City of Laguna Hills (Laguna Hills) reported total MOE expenditures of \$1,516,648, on its expenditure report. Actual expenditures, per the general ledger, totaled \$1,407,967, a variance of \$108,681. The variance resulted from a reporting error.	Laguna Hills is in the process of revising its expenditure report and will submit the revised report to the Orange County Local Transportation Authority.
	Testing of 40 direct MOE expenditures, totaling \$243,690, identified one expenditure of \$80, that was not allowable per the Ordinance.	Laguna Hills will enhance its review procedures to ensure only eligible costs are allocated as MOE expenditures.
	Testing identified \$341,205 in MOE direct costs that were reported as indirect costs, in error. In addition, \$6,533 in MOE indirect costs tested were not allowable per the Ordinance.	Moving forward, Laguna Hills will classify contract engineering services as direct costs and will enhance its review procedures to ensure only allowable expenditures are allocated as MOE.
	Local Fair Share (LFS) expenditures related to one project (Street and Roadway Maintenance) that was not listed on Laguna Hills' Seven-Year Capital Improvement Project (CIP) Report, as required.	Moving forward, Laguna Hills will list the Street and Roadway Maintenance program as a LFS project on its CIP report.
Lake Forest	None	
La Palma	The City of La Palma's (La Palma) expenditure report reflected \$0 in indirect costs charged as MOE expenditures; however, testing identified indirect expenditures were charged to the MOE.	La Palma will report these expenditures as indirect costs in the future.
Placentia	The City of Placentia (Placentia) reported total MOE expenditures of \$1,125,411 on its expenditure report. Actual expenditures, per the general ledger, totaled \$848,930, a variance of \$276,481.	Placentia identified, corrected, and re-submitted its expenditure report.
	Testing of 40 direct MOE expenditures, totaling \$228,492, identified one expenditure for \$910, that was not allowable per the Ordinance.	Placentia's finance department will complete a thorough analysis of these expenditures before submission.
	Placentia's expenditure report reflected \$0 in indirect costs charged as MOE expenditures; however, testing identified indirect expenditures were charged to the MOE.	Placentia will review the Ordinance and Gas Tax Guidelines to ensure proper classification of expenditures in future reports.
Tustin	Testing identified \$188,625 in MOE direct costs that were reported as indirect costs, in error.	Going forward, the City of Tustin (Tustin) will ensure these costs are categorized as direct costs.
	Testing identified \$27,229 in LFS direct costs that were reported as indirect costs, in error.	Going forward, Tustin will ensure these costs are categorized as direct costs.

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY  
MEASURE M2 LOCAL FAIR SHARE  
AGREED-UPON PROCEDURES REPORTS  
Year Ended June 30, 2020**

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 LOCAL FAIR SHARE**

**AGREED-UPON PROCEDURES REPORTS**

**Year Ended June 30, 2020**

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, 2020. Please refer to the individual divider tab for our report on each Agency.

City of Brea

City of Costa Mesa

City of Laguna Hills

City of Lake Forest

City of La Palma

City of Placentia

City of Tustin

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF BREA

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

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), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund and budget unit. The City recorded its MOE expenditures in its General Fund (110), Gas Tax Fund (220), and various budget units. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$1,355,110 (see Schedule A). We agreed the total expenditures of \$1,355,110 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$446,590 for testing, which represented approximately 33% of direct MOE expenditures of \$1,355,110 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$173,399 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$3,006,428 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$2,876,550 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund and budget unit. The City recorded its LFS expenditures in its Measure M Transport Tax Fund (260), and various budget units. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$936,508 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five Measure M2 direct Local Fair Share expenditures for inspection totaling \$892,781 representing approximately 97% of total Measure M2 direct Local Fair Share expenditures of \$915,832 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as Local Fair Share expenditures for the fiscal year ended June 30, 2020. We agreed \$20,676 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$1,998 representing 10% of the total indirect Local Fair Share costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included allocated engineer salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect Local Fair Share costs and were allowable per the Ordinance and percentages allocated to Local Fair Share were justifiable. In addition, the indirect LFS costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$38,171 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

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(Continued)

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California  
March 11, 2021



CITY OF BREA, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Maintenance of Effort (MOE) Expenditures:

Maintenance

Other Street Purpose Maintenance	\$ 1,355,110
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Total MOE Expenditures	<u>\$ 1,355,110</u>
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Measure M2 Local Fair Share Expenditures (Schedule 4):

Administrative	\$ 20,676
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Traffic Control Upgrade - 7218	577
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Citywide Slurry Seal Program - 7312	200,000
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Alley Rehab E. of Redwood Avenue - 7315	161,640
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Alley Rehab - Puente/ Joyce - 7316	207,915
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Cliffwood Park Pavement - 7317	316,895
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Alley Rehab W. of Flower Avenue - 7319	16,616
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Country Lane Street Rehabilitation - 7323	11,440
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Street Name Sign Replacement - 7703	<u>749</u>
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Total Measure M2 Local Fair Share Expenditures	<u>\$ 936,508</u>
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Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 2,291,618</u></u>
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Note: The above amounts were taken directly from the financial records of the City of Brea and were not audited.



## City of Brea

March 11, 2021

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

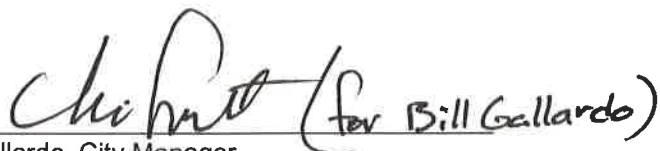
The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Brea as of and for the fiscal year ended June 30, 2020.

### **Procedure #4**

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$173,399 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response: The City of Brea learned as part of this review that certain allowable staff costs for the street program are considered indirect/overhead costs due to the manner in which the costs are charged through the City's payroll system. The staff costs charged were mostly related to employees directly participating on street and road purpose projects, as well as first level supervision. However, these costs are allocated as opposed to direct charged to the program on the employee timecards. All of Brea's MOE costs were deemed allowable, and Brea staff now has clarification on which costs should be reported as indirect/overhead costs and which costs should be listed as direct for future reporting purposes.

 (for Bill Gallardo)

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William Gallardo, City Manager



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Cindy Russell, Administrative Services Director



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Tony Olmos, Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF COSTA MESA

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

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), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and program number. The City recorded its MOE expenditures in its General Fund (101), Capital Improvement Fund (401), Measure M2 Fund (416), various department numbers, and program numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Costa Mesa reported total MOE expenditures of \$9,713,495 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per expenditures detail totaled \$9,413,495, a variance of \$300,000. This variance was a result of clerical error in reporting expenditures in Program 30243 Signs & Markings. No other exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$2,943,813 which represented approximately 35% of total direct MOE expenditures of \$8,288,079 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2020. We agreed \$1,125,416 of indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We selected 25 charges for inspection with a total amount of \$250,765 representing 22% of the total indirect MOE costs. We recomputed the selected indirect costs using the City's allocation methodology and identified no exceptions. The indirect costs included allocated management salaries for the Public Works department. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$7,812,493 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$5,307,592 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and program number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (416), various department numbers, and program numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$1,932,955 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected 24 Measure M2 Local Fair Share direct expenditures for inspection totaling \$1,449,882 representing approximately 75% of total Measure M2 direct Local Fair Share expenditures of \$1,932,955 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$181,561 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in cursive script that reads "Crowe LLP".

Crowe LLP

Costa Mesa, California  
March 15, 2021

CITY OF COSTA MESA, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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	<b>SCHEDULE A</b>
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,125,416
Construction & Right-of-Way	
Street Reconstruction	526,884
Signals, Safety Devices, & Street Lights	110,999
Pedestrian Ways & Bikepaths	160,904
Storm Drains	640,237
Maintenance	
Street Lights & Traffic Signals	1,907,973
Other Street Purpose Maintenance	<u>4,941,082</u>
 Total MOE Expenditures	 <u>\$ 9,413,495</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Harbor Blvd. Median and Parkway Improvements #350017	\$ 174,325
Street Maintenance City-wide #400015	1,758,630
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 1,932,955</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u>\$ 11,346,450</u>

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.





# CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

FROM THE OFFICE OF THE FINANCE DIRECTOR/CITY TREASURER

Exhibit 1

March 11, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Costa Mesa as of and for the fiscal year ended June 30, 2020.

## Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Costa Mesa reported total MOE expenditures of \$9,713,495 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per expenditures detail totaled \$9,413,495, a variance of \$300,000. This variance was a result of clerical error in reporting expenditures in Program 30243 Signs & Markings. No other exceptions were found as a result of this procedure.

## City's Response:

The MOE program total expenditure entry had an administrative error that resulted in the amount being over-stated by \$300,000. The City has implemented an additional layer of review with the onboarding of a permanent Accounting Supervisor.

It is important to note that even after the correction of this error, the City's fiscal year 2020 MOE spending was approximately 6.9% of its General Fund revenues.

Lori Ann Farrell Harrison, City Manager

Carol Molina, Finance Director

Raja Sethuraman, Public Services Director

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF LAGUNA HILLS

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

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), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (100), Public Services Fund (355), various department, and various account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Laguna Hills reported total MOE expenditures of \$1,516,648 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures per the general ledger expenditure detail totaled \$1,407,967, a variance of \$108,681. The variance was due to incorrect amounts reported in Line 15 of the Expenditure Report. No other exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$243,690 for testing which represented approximately 26% of total direct MOE expenditures of \$929,027 for the fiscal year ended June 30, 2020. We identified one expenditure relating to membership dues, totaling \$80 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 49 indirect MOE costs for inspection with a total amount of \$366,425 representing 77% of the total indirect MOE costs of \$478,940. We agreed \$478,940 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We recomputed the selected indirect costs charges using the City's allocation methodology and identified \$341,205 of indirect costs that should have been reported as direct costs. The costs were related to direct contracted engineering services. In addition, upon inspecting the supporting documentation for the indirect cost samples selected, we identified two expenditures, totaling \$6,533 that were not allowable per the Ordinance. These two expenditures consisted of various office supplies and park features. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$1,610,086 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$0 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (212), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$615,719 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: M2 Local Fair Share expenditures selected for inspection totaled \$497,607 representing approximately 81% of total Measure M2 Local Fair Share expenditures of \$615,719 for the fiscal year ended June 30, 2020. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, which consisted of one project, the project (Street and Roadway Maintenance \$615,719) was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$5,456 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

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(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, professional style.

Crowe LLP

Costa Mesa, California  
March 12, 2021

CITY OF LAGUNA HILLS, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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	<b>SCHEDULE A</b>
Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 478,940
Construction & Right-of-Way	
Signals, Safety Devices, & Street Lights	9,250
Storm Drains	189,389
Maintenance	
Street Lights & Traffic Signals	689,013
Other Street Purpose Maintenance	<u>41,375</u>
Total MOE Expenditures	<u>\$ 1,407,967</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
Street Maintenance Contract	\$ 615,719
Total Measure M2 Local Fair Share Expenditures	<u>\$ 615,719</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 2,023,686</u></u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Hills and were not audited.



## CITY OF LAGUNA HILLS

March 12, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Laguna Hills as of and for the fiscal year ended June 30, 2020.

### Procedure #2

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Laguna Hills reported total MOE expenditures of \$1,516,648 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$1,407,967, a variance of \$108,681. The variance was due to incorrect amounts reported in Line 15 of the Expenditure Report. No other exceptions were found as a result of this procedure.

### City's Response:

*The City agrees with the Finding and is in the process of revising its M2 Expenditure Report accordingly for the fiscal year ended June 30, 2020. The revised Expenditure Report will be resubmitted to OCTA.*

### Procedure #3

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree 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 voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$243,690 which represented approximately 26% of total direct MOE expenditures of \$929,027 for the fiscal year ended June 30, 2020. We identified one expenditure relating to membership dues, totaling \$80 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

*The City agrees with the Finding and will enhance its review procedures to ensure only eligible costs will be allocated to MOE expenditures.*

**Procedure #4**

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: We selected 49 indirect MOE costs for inspection with a total amount of \$366,425 representing 77% of the total indirect MOE costs of \$478,940. We agreed \$478,940 in indirect costs per the Expenditure Report (Schedule 3, line 1) to the general ledger detail. We recomputed the selected indirect costs charges using the City's allocation methodology and identified \$341,205 of indirect costs that should have been reported as direct costs. The costs were related to direct contracted engineering services. In addition, upon inspecting the supporting documentation for the indirect cost samples selected, we identified two expenditures, totaling \$6,533 that were not allowable per the Ordinance. These two expenditures consisted of various office supplies and park features. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response:

*The City agrees with the Finding. Moving forward, the City will classify contract engineering services as direct cost and will enhance its review procedures to ensure only allowable expenditures are allocated as MOE.*

**Procedure #7**

Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

- a. Agree 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; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: M2 Local Fair Share expenditures selected for inspection totaled \$497,607 representing approximately 81% of total Measure M2 Local Fair Share expenditures of \$615,719 for the fiscal year ended June 30, 2020. When comparing the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, which consisted of one project, the project (Street and Roadway Maintenance \$615,719) was not listed on the City's Seven-Year CIP. No other exceptions were found as a result of this procedure.



City's Response:

*The City agrees with the Finding. Moving forward, the City's Street and Roadway Maintenance program will be listed as a Measure M2 Local Fair Share project on the Seven-Year Capital Improvement Program (CIP).*



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Kenneth H. Rosenfield  
Interim City Manager



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Janice Reyes  
Finance Director

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  
Orange, California

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), related to the City of Lake Forest's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (100), various department numbers, and account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$793,583 (see Schedule A). We agreed the total expenditures of \$793,583 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 25 direct MOE expenditures totaling \$403,437 for testing, which represented approximately 51% of total direct MOE expenditures of \$793,583 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as MOE expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$4,277,021 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$1,911,408 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (220), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$770 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:

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(Continued)

- a. Agree 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; and
- b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without exception. We selected two direct Measure M2 Local Fair Share expenditures for inspection totaling \$770 representing 100% of total direct Measure M2 Local Fair Share expenditures of \$770 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$16,116 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

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(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

CITY OF LAKE FOREST, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Maintenance of Effort (MOE) Expenditures:	
Maintenance	
Other Street Purpose Maintenance	\$ 793,583
Total MOE Expenditures	<u>\$ 793,583</u>
Measure M2 Local Fair Share Expenditures (Schedule 4):	
950.100 Repaving and Slurry Seal	\$ 770
Total Measure M2 Local Fair Share Expenditures	<u>\$ 770</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 794,353</u></u>

Note: The above amounts were taken directly from the financial records of the City of Lake Forest and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF LA PALMA

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

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), related to the City of La Palma's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its MOE expenditures in its General Fund (001), Road Maintenance and Rehabilitation Fund (010), Street Fund (011), various department numbers, and account numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$517,482 (see Schedule A). We agreed the total expenditures of \$517,482 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 35 direct MOE expenditures totaling \$395,204 for testing, which represented approximately 76% of direct MOE expenditures of \$517,482 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$23,808 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were properly classified as indirect expenditures and allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$796,578 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$373,906 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and account number. The City recorded its LFS expenditures in its Measure M Fund (012), various department numbers, and account numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$301,928 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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(Continued)



7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$273,325 representing approximately 91% of total direct Measure M2 Local Fair Share expenditures of 301,928 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$18,325 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

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(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, professional style.

Crowe LLP

Costa Mesa, California  
March 15, 2021

CITY OF LA PALMA, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Maintenance of Effort (MOE) Expenditures:

Maintenance	
Patching	\$ 12,135
Overlay & Sealing	179,538
Street Lights & Traffic Signals	142,690
Other Street Purpose Maintenance	<u>183,119</u>

Total MOE Expenditures \$ 517,482

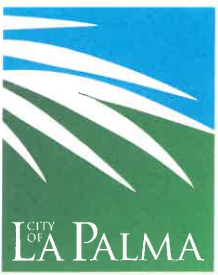
Measure M2 Local Fair Share Expenditures (Schedule 4):

Orangethorpe Ave Rehabilitation (Walker to Valley View) (ST-353)	\$ 23,273
Median Island Reconstruction Design	38,655
Orangethorpe Ave Rehabilitation (Moody to Walker) (ST-346)	240,000

Total Measure M2 Local Fair Share Expenditures \$ 301,928

Total MOE and Measure M2 Local Fair Share Expenditures \$ 819,410

Note: The above amounts were taken directly from the financial records of the City of La Palma and were not audited.



March 15, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of La Palma as of and for the fiscal year ended June 30, 2020.


**Procedure #4**

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.


Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected indirect 25 MOE expenditures from the general ledger expenditures detail totaling \$23,808 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response:

The City has been preparing the annual report consistently, and the City is pleased that the expenditures are allowable. The City sees that the auditor used account 001-405-5010-xxxxx to calculate the \$23,808, and for future reports, the City will report those expenditures as indirect costs.

 CITY MANAGER

Name and Title of Responsible Party

 COMMUNITY SERVICES DIRECTOR

Name and Title of Responsible Party

 ACCOUNTING SUPERVISOR

Name and Title of Responsible Party

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF PLACENTIA

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

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), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, and package. The City recorded its MOE expenditures in its Measure M Fund (210), various packages. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Placentia reported total MOE expenditures of \$1,125,411 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$848,930, a variance of \$276,481. The variance was due to a clerical error when reporting the expenditures for Department Contracted Services. No other exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$228,492 for testing, which represented approximately 27% of total direct MOE expenditures of \$848,930 for the fiscal year ended June 30, 2020. We identified one expenditure related to a rental car, totaling \$910 that was not allowable per the Ordinance. No other exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE direct cost samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditure detail totaling \$96,455 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the expenditures were properly classified as indirect MOE costs and were allowable per the Ordinance and percentages allocated to MOE were justifiable. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$2,762,624 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$623,228 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, package. The City recorded its LFS expenditures in its Measure M Fund (210), various packages. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$527,707 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected five direct Measure M2 Local Fair Share expenditures for inspection totaling \$413,141 representing approximately 78% of total direct Measure M2 Local Fair Share expenditures of \$527,707 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the general ledger detail, the Expenditure Report (Schedule 3, Line 1), and discussion with the City's accounting personnel, no indirect costs were identified as Measure M2 Local Fair Share expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$12,814 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

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(Continued)

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Costa Mesa, California  
March 11, 2021



CITY OF PLACENTIA, CALIFORNIA  
SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Maintenance of Effort (MOE) Expenditures:

Maintenance

Street Lights & Traffic Signals	\$ 123,116
Other Street Purpose Maintenance	<u>725,814</u>

Total MOE Expenditures	<u>\$ 848,930</u>
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Measure M2 Local Fair Share Expenditures (Schedule 4):

1001 - FY 19-20 Residentail Slurry Seal Project	\$ 464,177
1905 - Design for ADA Ramp Reconstruction Project	200
5801 - Metrolink Stations and Parking Structure Project	34,690
183551-6015 Pavement Management plan update	<u>28,640</u>

Total Measure M2 Local Fair Share Expenditures	<u>\$ 527,707</u>
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Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 1,376,637</u></u>
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Note: The above amounts were taken directly from the financial records of the City of Placentia and were not audited.

The People are the City



**Mayor**  
CRAIG S. GREEN

**Mayor Pro Tem**  
CHAD P. WANKE

**Councilmembers:**  
RHONDA SHADER  
WARD L. SMITH  
JEREMY B. YAMAGUCHI

**City Clerk:**  
ROBERT S. MCKINNELL

**City Treasurer**  
KEVIN A. LARSON

**City Administrator**  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

**Exhibit 1**

March 11, 2021

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Placentia as of and for the fiscal year ended June 30, 2020.

**Procedure #2**

Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City of Placentia reported total MOE expenditures of \$1,125,411 on its Expenditure Report (Schedule 3, line 18) for fiscal year 2020. The actual MOE expenditures totaled \$848,930, a variance of \$276,481. The variance was due to a clerical error when reporting the expenditures for Department Contracted Services. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that on the initial submission for MOE expenditure report there was a clerical error. The City corrected and submitted the report to OCLTA when the error was found prior to discovery from the auditors. The city will verify the report before submission.

**Procedure #3**

Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:

- a. Agree 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 voucher or other appropriate supporting documentation; and
- b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 40 direct MOE expenditures totaling \$228,492, which represented approximately 27% of total direct MOE expenditures of \$848,930 for the fiscal year ended June 30, 2020. We identified

one expenditure relating to a rental car, totaling \$910 that was not allowable per the ordinance. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that the \$910 was not an allowable expense per the ordinance. Placentia's finance department will complete a thorough analysis of the expenditures prior to submission.

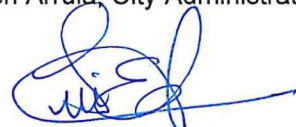
**Procedure #4**

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 as indirect costs. However, based on inspection of the general ledger expenditure detail and per inspection of MOE costs samples selected, we identified indirect costs charged as MOE expenditures for the fiscal year ended June 30, 2020. As a result, Crowe selected 25 indirect MOE expenditures from the general ledger expenditures detail totaling \$96,455 for inspection. Upon inspecting the supporting documentation for the samples selected, we determined that the indirect MOE costs were allowable per the Ordinance. In addition, the indirect MOE costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No other exceptions were found as a result of this procedure.

City's Response: The City agrees that based on the Ordinance the 25 MOE expenditures are indirect expenditures. The City will review the Ordinance and Gas Tax guidelines to ensure proper classification of expenditures in future reports.

  
\_\_\_\_\_  
Damien Arrula, City Administrator

  
\_\_\_\_\_  
Luis Estevez, Deputy City Administrator

  
\_\_\_\_\_  
Jessica Brown, Finance Director

INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES  
CITY OF TUSTIN

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

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), related to the City of Tustin's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.

Findings: The MOE expenditures were tracked in the City's general ledger by fund, department number, and division number. The City recorded its MOE expenditures in its Capital Projects Fund (200), Proceeds Land Held for Resale Fund (189), various department numbers, and division numbers. No exceptions were found as a result of this procedure.

2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2020. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 18). Explain any differences.

Findings: The City's MOE expenditures for the fiscal year ended June 30, 2020 were \$4,120,774 (see Schedule A). We agreed the total expenditures of \$4,120,774 to the amount reported on the City's Expenditure Report (Schedule 3, line 18), with no differences. No exceptions were found as a result of this procedure.

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(Continued)

3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Findings: We selected 20 direct MOE expenditures totaling \$2,987,179 for testing, which represented approximately 76% of total direct MOE expenditures of \$3,932,149 for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$188,625 in indirect costs for MOE for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$51,184 representing 27% of the total MOE indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$188,625 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2020 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.

Findings: The City received \$4,772,858 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We agreed the fund balance of \$4,089,124 from the general ledger detail to the City's Expenditure Report (Schedule 1, line 20), with no differences. We determined funds were expended within three years of receipt. No exceptions were found as a result of this procedure.

6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.

Findings: The LFS expenditures were tracked in the City's general ledger by fund, department number, and division number. The City recorded its LFS expenditures in its Measure M2 Fair Share Fund (139), various department numbers, and division numbers. Total Measure M2 Local Fair Share expenditures per the general ledger during the fiscal year ended June 30, 2020 were \$530,129 (see Schedule A), which agreed to the City's Expenditure Report. (Schedule 2, line 17, and detail listed at Schedule 4). No exceptions were found as a result of this procedure.

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(Continued)

7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.

Findings: We compared the projects listed on the City's Expenditure Report (Schedule 4) to the Seven-Year CIP, without any exception. We selected ten Measure M2 direct Local Fair Share expenditures for inspection totaling \$280,116 representing approximately 56% of total Measure M2 Local Fair Share direct expenditures of \$502,900 for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were related to projects included in the City's Seven-Year CIP and were properly classified as Measure M2 Local Fair Share projects. No exceptions were found as a result of this procedure.

8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$27,229 in indirect costs for LFS for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$7,389 representing 27% of the total LFS indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$27,229 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

9. Inspect the amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited and the methodology is reasonable. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.

Findings: We inspected the amount of interest allocated to the Measure M2 Local Fair Share Fund and agreed the amount reflected to the amount of interest totaling \$134,487 listed on the City's Expenditure Report (Schedule 2, line 4). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

10. Determine whether the Eligible Jurisdiction was found eligible by the Board of Directors for the applicable year (FY20) by inspecting the OCLTA Board agenda and action items.

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

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

CITY OF TUSTIN, CALIFORNIA  
 SCHEDULE OF MEASURE M2 LOCAL FAIR SHARE EXPENDITURES  
 Year ended June 30, 2020  
 (Unaudited)

**SCHEDULE A**

Maintenance of Effort (MOE) Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 188,625
Construction & Right-of-Way	
New Street Construction	1,096,948
Signals, Safety Devices, & Street Lights	10,074
Pedestrian Ways & Bikepaths	173,250
Maintenance	
Patching	67,984
Overlay & Sealing	1,698,700
Other Street Purpose Maintenance	<u>885,193</u>
 Total MOE Expenditures	 <u>\$ 4,120,774</u>
 Measure M2 Local Fair Share Expenditures (Schedule 4):	
Traffic Signal Controller Upgrade/Replacement	\$ 93,370
17th Street Signal Synchronization	250
Edinger Ave/ Irvine Center Drive Traffic Signal Synchronization	9,569
Tustin Ranch Road/ Von Karmen Traffic Signal Synchronization	25,372
Lansdowne/Valencia Traffic Signal Improvement	19
FY18/19 Major Pavement Maintenance	250,168
FY19/20 Major Pavement Maintenance	121,367
Bank Service Charges	2,785
Direct Charge for Labor Associated With These Projects	<u>27,229</u>
 Total Measure M2 Local Fair Share Expenditures	 <u>\$ 530,129</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 4,650,903</u></u>

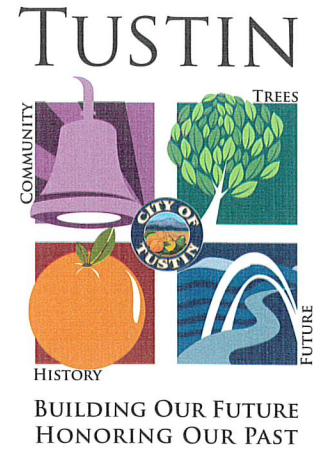
Note: The above amounts were taken directly from the financial records of the City of Tustin and were not audited.



## Finance Department

March 11, 2021

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



The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Local Fair Share program for the City of Tustin as of and for the fiscal year ended June 30, 2020.

### Procedure #4

Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$188,625 in indirect costs for MOE for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$51,184 representing 27% of the total MOE indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$188,625 should have been reported as direct costs. Upon inspecting the supporting documentation for the samples selected, we determined that the MOE direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

#### City's Response:

Previously, the City Staff had the understanding that the direct labor costs for the Engineering staff's time to manage the various projects were considered to be overhead and should be included on line 1 of Schedule 3 of the Expenditure Report. Going forward, the City staff will ensure that these costs be categorized with the project costs in line 2 through 15 of Schedule 3 of the Expenditure Report.

### Procedure #8

Identify whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Based upon inspection of the Expenditure Report (Schedule 3, line 1), the City reported \$27,229 in indirect costs for LFS for the fiscal year ended June 30, 2020. We selected 25 indirect costs for inspection with a total amount of \$7,389 representing 27% of the total LFS indirect costs, we identified these costs represented labor charges directly charged to the program. As a result, all indirect costs of \$27,229 should have been reported as direct costs. Upon inspecting the supporting documentation for the

samples selected, we determined that the LFS direct costs were allowable per the Ordinance. No other exceptions were found as a result of this procedure.

City's Response:

Previously, the City Staff had the understanding that the direct labor costs for the Engineering staff's time to manage the various projects were considered to be overhead and should be included on line 1 of Schedule 3 of the Expenditure Report. Going forward, the City staff will ensure that these costs be categorized with the project costs in line 2 through 15 of Schedule 3 of the Expenditure Report.

DocuSigned by:

*Matthew S. West*

Matthew S. West, City Manager

DocuSigned by:

*Jason Al-Imam*

Jason Al-Imam, Finance Director

DocuSigned by:

*Douglas S. Stack*

Doug Stack, Director of Public Works/City Engineer

**SUMMARY OF AGREED-UPON PROCEDURES REPORTS**  
**Orange County Local Transportation Authority**  
**Measure M2 Senior Mobility Program for the Year Ended June 30, 2020**

<b>City</b>	<b>Result</b>	<b>City Management Response</b>
Brea	The City of Brea (Brea) did not allocate interest to the Senior Mobility Program (SMP); Brea should have allocated and reported interest of \$471 to the program.	Brea will begin tracking these funds on a monthly basis and allocating interest, as appropriate.
	Brea continues to utilize California Yellow Cab to provide senior transportation services under an agreement that was competitively procured in 2013, for a one-year term, with an additional one-year option term.	Brea will procure a new contract through a competitive process that will include a specified term of more than five years. Brea is targeting July 1, 2021, for a new contract start date.
Costa Mesa	None	
Cypress	None	
Laguna Hills	The City of Laguna Hills (Laguna Hills) reported total SMP expenditures of \$36,754, on its expenditure report. Actual SMP expenditures, per the general ledger, detail totaled \$40,429. The variance resulted from Laguna Hills' failure to report administrative costs assessed to the SMP program.	Laguna Hills is in the process of revising its expenditure report and will resubmit to the Orange County Local Transportation Authority.
	Policy guidelines allow up to ten percent of total expenditures to be charged to the program for administrative costs. Laguna Hills charged \$33,721 in administrative/indirect costs to the SMP program, which exceeded the maximum allowed by \$32,029.	Laguna Hills will restore the overage of \$32,029 to the SMP program, and revise its expenditure report accordingly.
	One of four monthly reports tested was not submitted within 30 days of month end, as required.	The untimely filing of the April report was the result of the local emergency and health crisis.
Placentia	The City of Placentia (Placentia) did not allocate interest of the SMP program; Placentia should have allocated and reported interest of \$1,174, to the program.	Placentia will allocate back interest that should have been credited to the SMP program.
Stanton	None	

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR MOBILITY PROGRAM**

**AGREED-UPON PROCEDURES REPORTS**

**Year Ended June 30, 2020**

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR MOBILITY  
PROGRAM**

**AGREED-UPON PROCEDURES REPORT**

**Year Ended June 30, 2020**

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, 2020. Please refer to the individual divider tab for our report on each Agency.

City of Brea

City of Costa Mesa

City of Cypress

City of Laguna Hills

City of Placentia

City of Stanton

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF BREA

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

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), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, budget unit, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (110), various budget units, and account numbers. The City reported \$51,315 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.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$135,461 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$42,523 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$42,523; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,379 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total matching expenditures amounted to \$34,094 which was approximately 40% of the total expenditures of \$85,409 (M2 funded portion of \$51,315 and City's matching portion of \$34,094) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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.

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(Continued)

Findings: We selected 40 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,607 representing approximately 46% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined 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. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Brea, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect 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 utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and

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(Continued)



- b. Determine whether 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 determined that 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. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 30, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 31, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

CITY OF BREA, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>51,315</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 51,315</u></u>

Note: The above amounts were taken directly from the financial records of the City of Brea and were not audited.



## City of Brea

March 11, 2021

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

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 Brea as of and for the fiscal year ended June 30, 2020.

### **Procedure #4**

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

### City's Response:

Prior to FY 2015, the City was expending all SMP funds received on an annual basis. Therefore, there was no interest allocation required. Beginning with FY 2015, it appears that additional City funds were allocated to the program in excess of the required 20% match and therefore 100% of the Senior Mobility Program (SMP) funds were not spent each year. When this occurred interest was inadvertently not allocated to the unexpended balance. The City will be tracking these funds on a monthly basis going forward and allocating interest as appropriate through its quarterly interest allocation plan.

### **Procedure #9**


Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
- b. Inspect 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 utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

City's Response:

As indicated, City staff understood the contract language regarding the term supported the intention for this contract to renew annually unless cancelled in writing. Based on the feedback received as part of these agreed upon procedures, the City will be procuring a new contract through a new competitive process that includes a specified term of no more than five years with the intention to procure a new contract every five years through a competitive process. The City is targeting July 1, 2021 for a new contract start date.



William Gallardo, City Manager



Cindy Russell, Administrative Services Director



Tony Olmos, Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF COSTA MESA

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

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), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (101), and various program numbers. The City reported \$95,203 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.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$278,062 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$95,203 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Costa Mesa methodology for interest calculation was to calculate the average monthly cash balance to determine if interest should be allocated to the program monthly for the fiscal year ended June 30, 2020. Given that the City had monthly negative cash balances for the entire fiscal year 20, no interest was allocated for the SMP for fiscal year 20. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fare for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$24,296 which was approximately 20% of the total expenditures of \$119,499 (M2 funded portion of \$95,203 and City's matching portion of \$24,296) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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.

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(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$69,522 representing approximately 73% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined 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. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Costa Mesa, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
  - b. Determine whether 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 determined that 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.

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(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 31, 2019	-
December 2019	January 31, 2020	January 31, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 29, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 15, 2021



CITY OF COSTA MESA, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>95,203</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 95,203</u></u>

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF CYPRESS

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

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), related to the City of Cypress' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (212), and various account numbers. The City reported \$31,763 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.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$165,191 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$79,671 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$79,671; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$57,890 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,322, which was calculated by multiplying the SMP average monthly cash balance of \$69,030 and the Measure M2 Fund interest rate of 1.92%. The City reported \$1,322 of interest income for the year ended June 30, 2019 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. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$7,941 which was approximately 20% of the total expenditures of \$39,704 (M2 funded portion of \$31,763 and City's matching portion of \$7,941) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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.

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(Continued)

Findings: We selected 20 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,881 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined 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. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Cypress and does not exceed a monthly income cutoff, as specified in the City's service plan and is 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
  - b. Determine whether 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 determined that 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.

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(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 18, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 19, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California  
March 12, 2021

CITY OF CYPRESS, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$           -
Other Senior Mobility Project U	<u>          31,763</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>          \$ 31,763</u></u>

Note: The above amounts were taken directly from the financial records of the City of Cypress and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF LAGUNA HILLS

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

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), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$112,259 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$66,393 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$66,393; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$38,126 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,869, which was calculated by multiplying the SMP average monthly cash balance of \$80,526 and the Measure M2 Fund interest rate of 2.32%. The City reported \$1,869 of interest income for the year ended June 30, 2019 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. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$10,107 which was approximately 20% of the total expenditures of \$50,536 (M2 funded portion of \$40,429 and City's matching portion of \$10,107) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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: We selected nine Measure M2 Senior Mobility Program expenditures for inspection totaling \$33,763 representing approximately 84% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met

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(Continued)



the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Laguna Hills, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
  - b. Determine whether 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 determined that 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.

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(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 15, 2021

CITY OF LAGUNA HILLS, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 33,721
Other Senior Mobility Project U	<u>6,708</u>
 Total Measure M2 Senior Mobility Program Expenditures	 \$ <u><u>40,429</u></u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Hills and were not audited.



## CITY OF LAGUNA HILLS

March 12, 2021

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

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 Laguna Hills as of and for the fiscal year ended June 30, 2020.

### **Procedure #2**

Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

### City's Response:

The City agrees with the Finding and is in the process of revising its M2 Expenditure Report accordingly for the fiscal year ended June 30, 2020. The revised Expenditure Report will be resubmitted to OCTA.

### **Procedure #8**

Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

City's Response:

The City agrees with the Finding. Consequently, the City will restore the overage of \$32,029 to the SMP program and a revised M2 Expenditure Report for the fiscal year ended June 30, 2020, will be resubmitted to OCTA accordingly.

**Procedure #11**

Obtain and sample four monthly summary operations reports, and determine whether the reports were properly prepared and submitted by the last day of the following month.

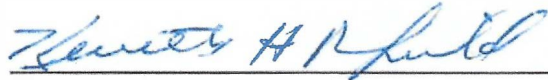
Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCTA. No other exceptions were found as a result of this procedure.

City's Response:

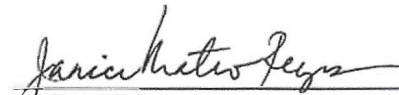
The City agrees with these findings. The untimely filing of the April monthly summary report was affected by the local emergency that was declared due to the COVID-19 health crisis.



Kenneth H. Rosenfield  
Interim City Manager



David Reynolds  
Deputy City Manager/Community Services Director



Janice Reyes  
Finance Director

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF PLACENTIA

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

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), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its Measure M Fund (210), and various object codes. The City reported \$32,511 in the 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.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$764,874 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$61,577 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$61,577; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$59,016 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$61,577 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$8,128 which was approximately 20% of the total expenditures of \$40,639 (M2 funded portion of \$32,511 and City's matching portion of \$8,128) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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.

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(Continued)

Findings: We selected seven Measure M2 Senior Mobility Program expenditures for inspection totaling \$24,582 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined 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. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Placentia, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
  - b. Determine whether 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 determined that 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.

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(Continued)



11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 19, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

CITY OF PLACENTIA, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>32,511</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 32,511</u></u>

Note: The above amounts were taken directly from the financial records of the City of Placentia and were not audited.

**Exhibit 1**

*The People are the City*



**Mayor**  
CRAIG S. GREEN  
**Mayor Pro Tem**  
CHAD P. WANKE  
**Councilmembers:**  
RHONDA SHADER  
WARD L. SMITH  
JEREMY B. YAMAGUCHI

**City Clerk:**  
ROBERT S. MCKINNELL  
**City Treasurer**  
KEVIN A. LARSON  
**City Administrator**  
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

March 11, 2021

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

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 Placentia as of and for the fiscal year ended June 30, 2020.


**Procedure #4**

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

**Findings:** Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$1,174 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

City's Response: The city agrees that interest was not allocated to the Senior Mobility Program. The city will restore and allocate back the interest that should have been allocated.

  
\_\_\_\_\_  
Damien Arrula, City Administrator

  
\_\_\_\_\_  
Luis Estevez, Deputy City Administrator

  
\_\_\_\_\_  
Jessica Brown, Finance Director

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
CITY OF STANTON

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

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), related to the City of Stanton's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

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

2. Describe which fund(s) the Eligible Jurisdiction 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, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (251), and various account numbers. The City reported \$15,178 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.

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(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$102,706 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$37,002 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$37,002; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,113 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Stanton methodology for interest calculation was to calculate the average cash balance for the entire FY to determine if interest should be allocated to the program for the fiscal year ended June 30, 2020. Given that the City had an average cash balance of the program was (\$2,064), no interest was allocated for the SMP for fiscal year 20. 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. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditure, scanned for the types and sources of matching and agreed to supporting documentation, such as invoice, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$6,563 which was approximately 30% of the total expenditures of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether 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.

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(Continued)

Findings: We selected 12 Measure M2 Senior Mobility Program expenditures for inspection totaling \$11,401 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected 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. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions 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. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Stanton, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$1,976 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs of \$1,976 were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We calculated and noted that the percentage of the administrative costs were 9.1% of the total M2 expenditure of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which did not exceed 10%, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel and inspection of general ledger detail of expenditures, the City did not contract with a third-party provider to provide senior transportation services under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
  - b. Determine whether 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 City of Stanton that used in-house staff to provide services for the Senior Mobility Program, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

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(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 21, 2020	-
February 2020	March 31, 2020	March 17, 2020	-
June 2020	July 31, 2020	July 20, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the City’s management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

CITY OF STANTON, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,976
Other Senior Mobility Project U	<u>13,202</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 15,178</u></u>

Note: The above amounts were taken directly from the financial records of the City of Stanton and were not audited.



**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR NON-EMERGENCY  
MEDICAL TRANSPORTATION PROGRAM**

**AGREED-UPON PROCEDURES REPORT**

**Year Ended June 30, 2020**

**ORANGE COUNTY LOCAL  
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR NON-EMERGENCY  
MEDICAL TRANSPORTATION PROGRAM**

**AGREED-UPON PROCEDURES REPORT**

**Year Ended June 30, 2020**

The County of Orange was selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2020.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
COUNTY OF ORANGE

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

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), related to the County of Orange's (County) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The County's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the County compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement between OCLTA and the County of Orange and determine that the agreement was properly approved and executed.

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

2. Describe which funds the County used to track expenditures relating to Senior Non-Emergency Medical Transportation Program (SNEMT) monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on schedule 2 of expenditure report. Explain any differences.

Findings: The County's expenditures relating to the Measure M2 Senior Non-Emergency Medical Transportation Program were tracked in the general ledger by fund, and account. The County recorded its SNEMT expenditures in its General Fund (100) and various accounts. The County reported \$2,773,820 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.

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(Continued)

3. Obtain a listing of Measure M2 SNEMT payments made from OCLTA to the County and calculate the amount the County has received for the past three fiscal years. Obtain the cash balance of the County's SNEMT funds as of June 30, 2020 and determine whether funds are expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on schedule 2 of the County's Expenditure Report. Explain any differences.

Findings: The County received \$9,016,941 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$967,112 from the general ledger detail to the fund balance reported in the County's Expenditure Report (Schedule 1, line 24) of \$967,112; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$3,303,196 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the County's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the County's interest allocation methodology is adequate to ensure the proper amount of interest was credited to the Measure M2 SNEMT fund.

Findings: We obtained the County's interest allocation methodology. We identified interest income of \$19,117, which was calculated by multiplying the SNEMT average monthly cash balance of \$1,016,885 and the Measure M2 Fund average monthly interest rate of 1.88%. The County reported \$19,117 of interest income for the year ended June 30, 2020 which agreed to the County's Expenditure Report (Schedule 2, Line 8 for Project U). We inspected the interest allocation methodology. No exceptions were found as a result of this procedure.

5. Determine the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2020 (e.g. obtain from OCLTA the percentage requirement and apply to the annual state allocation of Tobacco Settlement funds for the year under review).

Findings: Crowe obtained the percentage requirement of 5.27% from OCLTA and applied to the annual state allocation of \$29,606,734 of Tobacco Settlement funds for the year under review. Crowe determined the amount of Tobacco Settlement funds required to be funded by the County for the fiscal year ending June 30, 2020 was \$1,560,275. No exceptions were found as a result of this procedure.

6. Determine that the County funded the required annual amount of Tobacco Settlement funds on the SNEMT program and select a sample from the general ledger to determine whether the expenditures are related to the SNEMT program.

Findings: Crowe determined the County funded \$1,665,887 of Tobacco Settlement funds to the SNEMT program which exceeded the required annual amount to be funded of \$1,560,275. We inspected Measure M2 SNEMT expenditures funded by Tobacco Settlement funds totaling \$1,099,260 representing 75% of total expenditures funded by Tobacco Settlement for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements. No exceptions were found as a result of this procedure.

7. Select a sample of Measure M2 SNEMT expenditures from the County's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
  - a. Agree 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; and
  - b. Determine whether the expenditures selected in (a) above are exclusively for the SNEMT program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy guidelines and the cooperative agreement.

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(Continued)

Findings: We inspected M2 SNEMT expenditures totaling \$2,501,341, representing 91% of total direct Measure M2 SNEMT expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements outlined in the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement C-1-2583 between the Orange County Transportation Authority and County of Orange for Senior Non-Emergency Medical Transportation Program (cooperative agreement). No exceptions were found as a result of this procedure.

8. Inquire as to the procedures used by the County 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. Any person who wants to join the SNEMT program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The County then verifies that the applicant is a resident of County of Orange, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

9. Identify whether or not indirect costs were charged as Measure M2 SNEMT expenditures. If applicable, compare indirect costs identified to the amount reported on the County's Expenditure Report. Explain any differences. If applicable, select a sample of charges. Describe the dollar amount inspected, and percentage of dollar amount inspected over total indirect costs. Inspect the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.

Findings: Per discussions with the County's accounting personnel and inspection of the general ledger expenditure detail, \$16,678 of indirect costs were identified as Measure M2 SNEMT expenditures for the fiscal year ended June 30, 2020. We inspected Measure M2 SNEMT expenditures totaling \$9,864 representing 59% of total indirect costs expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for SNEMT and met the requirements outlined in the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. In addition, we determined that the indirect SNEMT costs were substantiated by a written Indirect Cost Allocation Plan prepared within five years. No exceptions were found as a result of this procedure.

10. Determine if the County contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. Determine whether the Contractor was selected using a competitive procurement process; and
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with County personnel, the County contracted with Age Well, and Abrazar to provide non-emergency medical transportation for adults age 60 and older, and who lack other reasonable means of medical-related transportation. From inspecting the Age Well and Abrazar procurement documents, we found that the contractors were selected using a competitive procurement process. In addition, per inspection of the original contracts, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

11. Obtain the proof of insurance coverage for the County's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement; and
  - b. Determine whether current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

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(Continued)

Findings: We obtained and inspected the insurance coverage for the contractors, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the County's contractors was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

12. Obtain the quarterly summary reports and determine the reports were properly prepared and submitted within forty-five (45) days.

Findings: We inspected all four quarterly summary reports (September 2019, December 2019, March 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 45 days of the following quarter end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
September 2019	November 15, 2019	November 5, 2019	-
December 2019	February 15, 2020	February 10, 2020	-
March 2020	May 15, 2020	April 27, 2020	-
June 2020	August 15, 2020	August 6, 2020	-

No exceptions were found as a result of this procedure.

13. Inspect the four quarterly SNEMT reports during fiscal year 20 and determine whether the quarterly reports had indicated % of actual expenditures to be higher than 75% (Year to Date Actuals / Year to Date Budget). If the percentage of actual expenditures are higher than 75%, inquire with the County whether they had implemented prioritization of trips. Also, determine whether actual expenditures exceeded available program funding and whether OCLTA was notified as required.

Findings: Based upon inspection of the four quarterly SNEMT reports during Fiscal Year 2020, the fourth quarter report indicated actual expenditures to be 83% of budgeted expenditures. Per the Measure M2 Project Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement, the County may implement prioritization of trips; however, the County decided not to implement it. Crowe determined the actual expenditures for FY20 did not exceed available program funding. No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, 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 Local Transportation Ordinance. 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.

We are required to be independent of the County's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.

  
Crowe LLP

Costa Mesa, California  
March 11, 2021

COUNTY OF ORANGE, CALIFORNIA  
SCHEDULE OF MEASURE M2 SENIOR NON-EMERGENCY MEDICAL TRANSPORTATION  
PROGRAM EXPENDITURES  
Year ended June 30, 2020  
(Unaudited)

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**SCHEDULE A**

Measure M2 Senior Non-Emergency Medical Transportation Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 16,678
Other Senior Non-Emergency Medical Transportation Project U	<u>2,757,142</u>
 Total Measure M2 Senior Non-Emergency Medical Transportation Expenditures	 <u><u>\$ 2,773,820</u></u>

Note: The above amounts were taken directly from the financial records of the County of Orange and were not audited.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
MEASURE M2 AGREED-UPON PROCEDURES – PROJECT Q AND U  
Year Ended June 30, 2021**

Agreed Upon Procedures for Measure M2 Local Fair Share Eligible Jurisdictions:

Perform the procedures below for the following cities: XXXXX:

1. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.
2. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 2021 and determine whether the Eligible Jurisdiction met the minimum MOE requirement as outlined in the Measure M2 Eligibility Guidelines Fiscal Year 2020/2021. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.
3. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected, perform the following:
  - a. Agree 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 voucher or other appropriate supporting documentation; and
  - b. Determine whether the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.
4. Identify whether indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of indirect costs charged, and select a sample of charges for inspection. Inspect supporting documentation for reasonableness and appropriate methodology.
5. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 2021 and agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.
6. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2021. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.
7. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:



**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
MEASURE M2 AGREED-UPON PROCEDURES – PROJECT Q AND U  
Year Ended June 30, 2021**

- a. Agree 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. Verify that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.
8. Identify whether indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested. Identify the amounts charged and inspect supporting documentation for reasonableness and appropriate methodology.
9. Obtain and inspect the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.
10. Determine whether the Jurisdiction was found eligible by the Board of Directors.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
MEASURE M2 AGREED-UPON PROCEDURES – PROJECT Q AND U  
Year Ended June 30, 2021**

Agreed Upon Procedures for Measure M2 Senior Mobility Program - Eligible Jurisdictions:

Perform the procedures below for the following cities: XXXXX

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.
2. Describe which fund(s) the Eligible Jurisdiction 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, 2021. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.
3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2021, agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2021, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.
4. Obtain and inspect the Eligible Jurisdiction'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. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.
5. Verify that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total expenditures for fiscal year ended June 30, 2021.
6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:
  - a. Agree 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. Verify that the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.
7. Inquire as to the procedures used by the Eligible Jurisdictions 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.
8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY  
MEASURE M2 AGREED-UPON PROCEDURES – PROJECT Q AND U  
Year Ended June 30, 2021**

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
  - a. Verify that Contractor was selected using a competitive procurement process.
  - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.
10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Inspect the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
  - b. Verify that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.
11. Obtain and sample four monthly operations reports and determine whether the reports were submitted by the last day of the following month.

**Measure M Jurisdictions - Suggested Selection for Fiscal Year 2020-21**

Agency	Local Fair Share						SMP & SNEMT					
	Last Audit	No. of Findings Last Audit	Payments FY 6/30/20	Payments FY 6/30/21 as of 3/31/21	Payments Since Inception as of 3/31/21	% of Total	Last Audit	No. of Findings Last Audit	Payments FY 6/30/20	Payments FY 6/30/21 as of 3/31/21	Payments Since Inception as of 3/31/21	% of Total
Aliso Viejo	2018	1	729,735.14	481,771.77	6,207,542.50	1.26%	n/a	0	27,279.55	18,198.86	192,009.88	0.36%
Anaheim	2019	1	3,978,216.38	4,192,592.10	51,551,051.14	10.44%	2015	1	295,460.56	197,109.07	2,531,676.02	4.76%
Brea	2020	1	1,033,183.63	692,890.75	8,921,497.08	1.81%	2020	2	46,379.14	30,940.69	397,407.15	0.75%
Buena Park	2018	2	1,562,510.71	1,031,624.56	13,856,187.80	2.81%	2017	1	79,387.25	52,961.22	680,238.22	1.28%
Costa Mesa	2020	1	2,688,605.37	1,782,799.12	22,742,271.67	4.61%	2020	0	95,203.10	63,512.36	815,757.54	1.53%
Cypress	2017	1	927,321.60	624,095.64	8,200,999.08	1.66%	2020	0	56,558.18	37,731.37	481,873.95	0.91%
Dana Point	2019	1	620,107.26	408,184.17	5,190,382.32	1.05%	2019	2	53,988.85	36,017.30	380,003.88	0.71%
a Fountain Valley	2016	2	1,111,123.91	734,667.63	9,653,135.38	1.95%	2019	0	87,101.82	58,107.79	577,233.69	1.09%
a Fullerton	2016	2	2,338,257.86	1,561,683.26	20,248,320.11	4.10%	2016	5	142,414.66	95,008.37	1,213,383.66	2.28%
Garden Grove	2019	0	2,668,334.71	1,790,030.96	23,157,867.01	4.69%	2015	0	170,513.50	113,753.81	1,461,060.32	2.75%
Huntington Beach	2019	2	3,553,327.39	2,331,177.12	30,288,404.14	6.13%	2015	0	252,371.78	168,363.50	2,162,462.49	4.07%
Irvine	2017	2	5,173,099.18	3,469,344.89	42,419,597.51	8.59%	2013	1	183,832.12	122,638.98	1,575,183.13	2.96%
Laguna Beach	2017	2	458,424.09	297,250.69	3,964,543.62	0.80%	n/a	0	-	27,473.19	27,473.19	0.05%
Laguna Hills	2020	4	610,262.45	400,739.28	5,297,278.34	1.07%	2020	3	38,435.19	25,641.07	329,338.04	0.62%
a Laguna Niguel	2016	1	1,188,268.99	784,705.88	10,353,696.06	2.10%	2017	4	80,881.65	53,958.18	693,035.97	1.30%
a Laguna Woods	2016	2	225,161.72	149,073.38	1,978,627.62	0.40%	2017	0	93,990.52	62,703.42	805,368.73	1.52%
La Habra	2019	2	951,077.32	637,092.88	8,202,926.91	1.66%	2019	2	59,802.61	39,895.81	512,424.95	0.96%
Lake Forest	2020	0	1,466,335.30	966,393.66	12,357,747.59	2.50%	2018	0	73,239.21	48,859.70	627,553.13	1.18%
La Palma	2020	1	270,770.06	169,251.79	2,527,316.26	0.51%	n/a					
Los Alamitos	2017	1	235,049.94	151,417.95	2,017,434.54	0.41%	n/a					
Mission Viejo	2019	2	1,669,498.23	1,094,771.39	14,529,944.90	2.94%	2016	3	126,808.56	84,597.15	940,616.08	1.77%
a Newport Beach	2016	0	1,999,136.71	1,318,838.02	17,133,394.72	3.47%	2016	1	144,315.45	96,276.42	1,236,571.87	2.33%
Orange	2018	2	2,978,038.84	2,017,714.38	25,702,421.30	5.21%	2014	3	137,072.80	91,444.68	1,174,515.41	2.21%
Placentia	2020	3	612,626.84	563,605.11	7,155,415.49	1.45%	2020	1	59,016.09	39,371.10	505,683.14	0.95%
Rancho Santa Margarita	2017	0	757,500.91	502,965.23	6,588,712.07	1.33%	n/a	0	29,075.46	19,396.97	249,133.58	0.47%
San Clemente	2019	1	1,031,792.79	685,731.64	8,771,997.44	1.78%	2019	0	78,974.33	52,685.74	676,701.68	1.27%
San Juan Capistrano	2017	2	690,950.09	454,730.06	5,904,773.36	1.20%	2017	3	50,390.46	33,616.73	354,678.38	0.67%
Santa Ana	2020*	1	4,979,662.65	3,317,073.56	43,269,931.73	8.76%	2015	2	210,233.36	140,251.91	1,801,394.38	3.39%
Seal Beach	2019	2	430,790.67	284,365.55	3,878,020.36	0.79%	2014	2	73,193.32	48,829.09	627,166.76	1.18%
Stanton	2018	1	517,889.22	352,967.02	4,641,955.04	0.94%	2020	0	35,164.52	23,459.13	299,604.01	0.56%
Tustin	2020	2	1,636,526.83	1,088,066.46	13,947,681.37	2.82%	2019	2	61,323.25	40,910.27	525,455.29	0.99%
Villa Park	2017	2	93,306.10	61,495.02	811,302.46	0.16%	n/a	0	12,053.61	8,041.25	69,833.60	0.13%
Westminster	2019	1	1,522,080.91	1,006,415.39	13,299,225.35	2.69%	2014	1	114,735.30	76,542.77	983,117.46	1.85%
a Yorba Linda	2016	2	1,094,235.49	732,730.38	9,372,490.38	1.90%	2016	2	77,860.07	51,942.39	667,152.69	1.26%
County Unincorporated	2019	0	3,518,345.23	2,510,296.48	29,647,985.16	6.00%	n/a					
County - SNEMT							2020	0	3,218,500.53	2,147,141.85	27,577,974.12	51.88%
<b>Total</b>			<b>55,321,554.52</b>	<b>38,648,553.17</b>	<b>493,792,077.81</b>	<b>100%</b>			<b>6,265,556.80</b>	<b>4,207,382.14</b>	<b>53,153,082.39</b>	<b>100%</b>

a Recommended selection: 5+ year rotation - Local Fair Share

b Recommended Senior Mobility Program selection: Total payments over \$150,000 and never been audited.

c Recommended selection 7+ years since last audit - Senior Mobility Program

\* Audit of MOE only

LFS
SMP
LFS & SMP
SNEMT

# **TAXPAYER OVERSIGHT COMMITTEE AUDIT SUBCOMMITTEE**

## **AUDIT CHARTER April 2021**

The Audit Subcommittee (Subcommittee) of the Taxpayer Oversight Committee (TOC), is established to assist the TOC in fulfilling its oversight responsibilities regarding the Measure M ordinance approved by the voters of Orange County. Specifically, the Subcommittee will have responsibilities in matters related to internal and independent audits of the Measure M programs, projects, and financial records.

In providing assistance to the TOC, the Subcommittee will assume the role of an audit committee as provided herein, and recommend action on all audit related matters to the full TOC. Recognizing that the Finance and Administration Committee (Committee) of the Board of Directors (Board) of the Orange County Transportation Authority (OCTA) serves as OCTA's audit committee with audit oversight of Measure M projects, programs, and financial records, the role of the Subcommittee is to augment the Committee's audit oversight as it relates specifically to Measure M projects, programs, and financial records.

All members of the Subcommittee will participate in fulfilling these responsibilities. At least one member of the Subcommittee will have financial experience sufficient to provide guidance and assistance to other Subcommittee members on matters related to government accounting, auditing, budgeting, and finance.

In fulfilling its audit responsibilities, the Subcommittee will have prompt and unrestricted access to all relevant OCTA documents, records, and staff. Requests by the Subcommittee for financial or other resources sufficient to fulfill these responsibilities, and beyond that already existing in OCTA's adopted budget, will be directed, through the full TOC, to OCTA's Chairman of the Board.

Members of the Subcommittee will be independent of OCTA, its contractors, consultants, and agents, in both fact and appearance, and will consult with the Chairman of the TOC concerning any circumstances which may compromise their ability to meet this standard. Members of the Subcommittee will comply with all applicable state and federal laws in the performance of their duties under this audit charter.

Responsibilities of the Subcommittee will include, but may not be limited to, the following:

### **Independent Financial Statements Audits**

1. Review with management and the independent financial statement auditors:
  - a. The annual financial statements of the Orange County Local Transportation Authority and related footnotes, schedules, and unadjusted differences, including

- the accounting principles used, and significant estimates or judgments made, by management.
- b. The management letter issued by the independent auditors in relation to their audit of OCTA and all its legal entities.
  - c. Any other independent audit reports the Subcommittee believes may be relevant to the exercise of its duties.
2. Discuss with the independent financial statement auditors any difficulties encountered during the course of their work, disagreements with management, or restrictions or limitations placed upon them.
  3. Assist OCTA in the selection, retention, or discharge of its independent auditor. This assistance may be provided through:
    - a. Participation on the independent auditor procurement selection panel.
    - b. In coordination with the full TOC, provide performance feedback regarding the independent auditor to OCTA's Board and Internal Audit Department (Internal Audit).
  4. Inquire of the auditors as to their independence, their compliance with Government Auditing Standards, and applicable accounting and auditing guidance issued by the Government Accounting Standards Board, the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and other standard-setting bodies.

### **Agreed Upon Procedures**

1. Review with the independent auditors the results of agreed-upon procedures performed at the direction of the Subcommittee and/or the Board of OCTA.
2. Design procedures to provide assurance that Measure M2 funds are used in compliance with the ordinance, and expenditures are reported accurately.
3. Periodically evaluate the sufficiency and applicability of the procedures.
4. In coordination with the full TOC, provide management and OCTA's Board with recommendations based on the results of the procedures.
5. Review relevant city/county data and select a sample of jurisdictions for annual audit, to determine the level of compliance with the Measure M2 ordinance.

## **Triennial Performance Assessment**

1. Participate in the development of a scope of work for the triennial performance assessment required by Measure M2.
2. Participate in the selection of the independent consultant.
3. Review the results of the triennial performance assessment, including management responses. Monitor the implementation of all recommendations.
4. In coordination with the full TOC, provide feedback to OCTA's Board on the performance of the independent consultant, the adequacy of management's responses, and/or the sufficiency of corrective action planned in response to audit recommendations.

## **Internal Audit and Internal Controls**

1. Receive and review the annual Internal Audit plan and quarterly updates of audit activity.
2. Review internal audit reports that have Measure M2 implications, including management responses and planned corrective action.
3. Consider the effectiveness of OCTA's system of internal controls, including controls over financial reporting.
4. Inquire of Internal Audit as to restrictions or limitations placed upon it by management or the Board.
5. Review the results of Internal Audit's triennial quality assurance (or "peer") review, and confirm that Internal Audit has been found independent as defined by Government Auditing Standards.
6. In coordination with the full TOC, provide OCTA's Board feedback or recommendations related to audit findings, internal controls, or the performance of the internal audit function.

## **Other**

1. Review this Audit Charter annually to assess its adequacy and recommend changes.
2. Provide updates to the TOC on actions taken, communications by, or recommendations made by the Subcommittee.
3. Inquire annually of the Chairman of the Committee as to any concerns the Committee has regarding OCTA's internal controls, its internal audit function, its independent auditors, Measure M projects, programs, financial records, or other matters, and report to the full TOC.

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**  
Ordinance Tracking Matrix - Ordinance No. 3  
For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
<b>1.00</b>	<b>Administrative and General Requirements</b>						
2.00	Has a transportation special revenue fund ("Local Transportation Authority Special Revenue Fund") been established to maintain all Revenues?	Sec. 10.1	F & A	One-time, start-up	Done	Sean Murdock	Yes. The LTA Fund (Fund 17) was established for this purpose. A discussion of the fund and its purpose can be found in the OCLTA audited financial statements.  Please reference: " <a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a> ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
3.00	Have the imposition, administration and collection of the tax been done in accordance with all applicable statutes, laws, rules and regulations prescribed and adopted by California Department of Tax and Fee Administration (formerly State Board of Equalization)?	Sec. 3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.  Please reference: " <a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a> ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
4.00	Have Net Revenues been allocated solely for the transportation purposes described in the Ordinance?	Sec. 4	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.  Please reference: " <a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a> ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
5.00	"Pay as you go" financing is the preferred method of financing transportation improvements and operations under the Ordinance. Before issuing bonds, has the Authority determined the scope of expenditures made "pay-as-you-go" financing unfeasible?	Sec. 5	F & A, Planning	Recurring	Done to date	Sean Murdock	Yes. Please reference: " <a href="#">Plan of Finance for Early Action Plan</a> ," Attachment D in Staff Report dated November 9, 2007. " <a href="#">Renewed Measure M Early Action Plan Review</a> ," Staff Report dated December 14, 2009. " <a href="#">Paying for M2 - Bond Financing Legal Memo</a> ," dated March 5, 2012.
6.00	Have maintenance of effort (MOE) levels been established for each jurisdiction for fiscal year 2010-2011 pursuant to Ordinance 2?	Sec. 6	Planning	One-time, start-up	Done	Joe Alcock/ Adriann Cardoso	Yes. The MOE benchmark for each jurisdiction was originally established under Ordinance No. 2. MOE for FY 2010-11 and was established and adopted by the OCTA Board as part of the M2 Eligibility Guidelines.  Please reference: " <a href="#">Measure M2 Local Agency Eligibility Guidelines and Requirements</a> ," dated January 25, 2010.
7.00	Have city MOE levels been adjusted by July 1, 2014 and every three years thereafter using the Caltrans Construction Cost Index?	Sec. 6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. The third MOE benchmark adjustment was presented to the Board on April 13, 2020. Please reference: " <a href="#">Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines</a> ," dated April 13, 2020.



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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>Due to the coronavirus (COVID-19) pandemic, on May 11, 2020, the Board authorized staff to initiate the amendment process to the M2 Ordinance No. 3 in order to adjust MOE requirements.                      Please reference: <a href="#">"Proposed Amendment to the Orange County Local Transportation Authority Measure M2 Ordinance No. 3,"</a> dated May 11, 2020.</p> <p>On June 22, 2020 the Board held a public hearing and approved the Ordinance No. 3 amendment.                      Please reference: <a href="#">"Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,"</a> dated June 22, 2020.</p> <p>On December 14, 2020, the Board approved the MOE Benchmark correction/adjustments for the cities of Buena Park and Villa Park.                      Please reference: <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020.</p> <p>Please also reference the following Staff Reports:  <a href="#">"Fiscal Year 2014-15 Measure M2 Maintenance of Effort Adjustment and Updates to Eligibility and Local Signal Synchronization Plan Guidelines,"</a> dated April 14, 2014.  <a href="#">"Fiscal Year 2014-15 Maintenance of Effort Benchmark Adjustments,"</a> dated August 11, 2014 to see adjustments made for the cities of La Habra, Laguna Woods, Los Alamitos, and Yorba Linda.  <a href="#">"Fiscal Year 2017-18 Measure M2 Maintenance of Effort Adjustment and Updates to the Eligibility and Local Signal Synchronization Plan Guidelines,"</a> dated April 10, 2017.  <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2015-16 Expenditure Reports and City of San Juan Capistrano's Maintenance of Effort Benchmark,"</a> dated May 8, 2017.  <a href="#">"Fiscal Year 2018-19 Measure M2 Eligibility and Countywide Pavement Management Plan Guidelines and City of Placentia's Maintenance of Effort Benchmark,"</a> dated April 9, 2018.</p>
8.00	Have MOE requirements been met annually by each jurisdiction?	Sec. 6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	No. Due to 2019 audit findings, on May 13, 2019, the Board found the cities of Stanton and Santa Ana ineligible to receive net M2 Revenues based upon failing to meet and/or substantiate MOE requirements for FY 2017-18. The

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							<p>Board suspended all disbursements of M2 funding and required the cities sign separate settlement agreements that identified steps to regain compliance. Please reference: <a href="#">"Measure M2 Eligibility for the City of Santa Ana,"</a> and <a href="#">"Measure M2 Eligibility for the City of Stanton,"</a> dated May 13, 2019.</p> <p>On April 13, 2020, the Board determined the cities of Santa Ana and Stanton eligible to receive M2 net revenues again based on second audit findings that each city had met their respective MOE requirements. Payments were reinstated and suspended funds that were held in reserve were disbursed. Please reference: <a href="#">"Measure M2 Eligibility for the City of Santa Ana,"</a> and <a href="#">"Measure M2 Eligibility for the City of Stanton,"</a> dated April 13, 2020.</p> <p>For the remaining 33 entities, MOE requirements have been met annually. Please reference: <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,"</a> dated June 8, 2020.</p>
9.00	Have Revenues expended for salaries and benefits of Authority administrative staff remained within the one percent per year limit?	Sec 7	F & A	Recurring	Action plan in place	Sean Murdock & Changsu Lee	<p>Yes. These are tracked on a fiscal year basis. Expenditures were 0.86% for the fiscal year period between July 1, 2019 and June 30, 2020, which was less than the one percent of net revenue requirement. The amount under one percent for the fiscal year was \$454,733. However, program-to-date expenditures were over the one percent limit by \$83,723. OCTA has Board approval to borrow from the Orange County Unified Transportation Trust with the understanding that those funds will be repaid with interest in the future. This is being paid back when administrative expenditures underrun revenue in any given year of the program.</p> <p>Please reference: <a href="#">"OCTA Summary of Measure M2 Administrative Costs from Inception through June 30, 2020."</a></p>
10.00	Has the Authority, to the extent possible, used existing state, regional and local planning and programming data and expertise to carry out the purposes of the Ordinance?	Sec. 7	Planning	Recurring	Done to date	Francesca Ching	<p>Yes, OCTA as appropriate, looks to other existing resources to ensure that work is not duplicative and that expenses are kept to a minimum. In cases where OCTA does not have the expertise available, OCTA contracts with other external agencies. For example, OCTA regularly has cooperative agreements with the California Department of Transportation, local universities, Army Corp of Engineers, and contracts with private sector experts as needed to meet the requirements of the Ordinance.</p>

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11.00	Have expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses, been identified in an annual report pursuant to Ordinance No. 3, Sec. 10.8?	Sec. 7 and Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan & Jennifer Beaver	<p>Yes. Annual reports identify expenses for administrative staff and for project implementation incurred by the Authority, including contracted expenses. M1 Annual reports from years 2008 - 2011 included minor updates on M2 Early Action Plan progress and funding. All reports are saved in the M2 Document Center.</p> <p>Please reference the following:  <a href="#">"Measure M Annual Report 2010."</a>  <a href="#">"Measure M Annual Report 2011."</a>  <a href="#">"Measure M Annual Report 2012."</a>  <a href="#">"Measure M Annual Report 2013."</a>  <a href="#">"Measure M Annual Report 2014."</a>  <a href="#">"Measure M Annual Report 2015."</a>  <a href="#">"Measure M Annual Report 2016."</a>  <a href="#">"Measure M Annual Report 2017."</a>  <a href="#">"Measure M Annual Report 2018."</a>  <a href="#">"Measure M Annual Report 2019."</a>  <a href="#">"Measure M Annual Report 2020."</a></p>
12.00	Has the 2006-2007 Authority appropriations limit been set at \$1,123 million?	Sec. 8	F & A	One-time, start-up	Done	Sean Murdock	<p>Yes. Please reference <a href="#">"Board Resolution 2006-32 Establishing LTA Appropriations Limit FY 2006-07,"</a> dated June 12, 2006.</p>
13.00	Has the Authority's appropriations limit been adjusted annually?	Sec. 8	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. All Board Resolutions establishing LTA appropriations are saved in the M2 Document Center.</p> <p>Please reference the following Staff Reports:  <a href="#">"Board Resolution 2011-046 Establishing LTA Appropriations Limit FY 2011-12,"</a> dated June 13, 2011.  <a href="#">"Board Resolution 2012-031 Establishing LTA Appropriations Limit FY 2012-13,"</a> dated June 11, 2012.  <a href="#">"Board Resolution 2013-164 Establishing LTA Appropriations Limit FY 2013-14,"</a> dated May 24, 2013.  <a href="#">"Board Resolution 2014-027 Establishing LTA Appropriations Limit FY 2014-15,"</a> dated June 9, 2014.  <a href="#">"Board Resolution 2015-023 Establishing LTA Appropriations Limit FY 2015-16,"</a> dated June 22, 2015.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p><a href="#">"Board Resolution 2016-025 Establishing LTA Appropriations Limit FY 2016-17,"</a> dated June 13, 2016.</p> <p><a href="#">"Board Resolution 2017-028 Establishing LTA Appropriations Limit FY 2017-18,"</a> dated June 12, 2017.</p> <p><a href="#">"Board Resolution 2018-055 Establishing LTA Appropriations Limit FY 2018-19,"</a> dated June 11, 2018.</p> <p><a href="#">"Board Resolution 2019-027 Establishing LTA Appropriations Limit FY 2019-20,"</a> dated June 10, 2019.</p> <p><a href="#">"Board Resolution 2020-022 Establishing LTA Appropriations Limit FY 2020-21,"</a> dated June 22, 2020.</p>
14.00	<b>Has the County of Orange Auditor-Controller, in the capacity as Chair of the Taxpayer Oversight Committee, annually certified that the Revenues were spent in compliance with the Ordinance?</b>	Sec. 10.2	External Affairs	Recurring	Done to Date	Alice Rogan	<p>Yes. Each year since 2007, subsequent to Measure M Annual Hearings, the County Auditor-Controller has annually certified that revenues were spent in compliance with the Ordinance. For this reporting period, on June 9, 2020, County Auditor-Controller Frank Davies certified that OCTA has spent revenues in compliance with the Ordinance as noted in the minutes of the Taxpayer Oversight Committee (TOC) meeting. All Annual Hearing Compliance Memos are saved in the M2 Document Center.</p> <p>For the most recent confirmation of compliance, please reference: <a href="#">"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings,"</a> dated June 22, 2020.</p>
15.00	<b>Have receipt, maintenance, and expenditure of Net Revenues been distinguishable in each jurisdiction's accounting records from other funding sources, and distinguishable by program or project?</b>	Sec. 10.3	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	<p>Yes, local jurisdictions submit expenditure reports annually that distinguish funding sources and tie to accounting records that are subject to audits. Starting with the 2011 version of the annual expenditure report, local jurisdictions' finance directors are also required to attest to this requirement and each year hereafter. Jurisdictions are also subject to audits that cover this requirement. Internal Audit, through contractors, conducts audits of 8 to 10 jurisdictions per year covering this matter. Expenditure Reports for each jurisdiction are reviewed by staff and the TOC. The jurisdictions to be audited are selected by the TOC Audit Subcommittee. The TOC approved jurisdictions' FY 2018-19 Expenditure Reports on May 12, 2020.</p> <p>Please reference the following:</p> <p><a href="#">"Measure M2 Annual Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,"</a> dated June 8, 2020.</p> <p><a href="#">"June 9, 2020 - Meeting Minutes,"</a> dated August 11, 2020.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020. <a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2020 – Attachment F. Report dated January 25, 2021.
16.00	Has interest earned on Net Revenues allocated pursuant to the Ordinance been expended only for those purposes for which Net Revenues were allocated?	Sec. 10.3	F & A	Recurring	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.  Please reference: <a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2019 – Attachment F. Report dated January 27, 2020. <a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2020 – Attachment F. Report dated January 25, 2021.
17.00	Have jurisdictions used Net Revenues only for transportation purposes authorized by the Ordinance?	Sec. 10.4	F&A, Internal Audit	Recurring	Action plan in place	Sean Murdock	Yes. See Item 15 notes.
18.00	If any jurisdiction used Net Revenues for other than transportation purposes, has it fully reimbursed the Authority the Net Revenues misspent and been deemed ineligible to receive Net Revenues for a period of five years?	Sec. 10.4	F & A	Recurring	N.A.	Sean Murdock	Not applicable because there have been no such occurrences to date. Compliance is subject to audits by Internal Audit.
19.00	Has a Taxpayer Oversight Committee been established to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required?	Sec. 10.5	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The Citizens Oversight Committee (COC) established under M1 was transitioned into the Taxpayer Oversight Committee (TOC) in August 2007. The transition was mentioned in the OCTA Staff Update portion of the June 12, 2007 COC Meeting Minutes, included in the August 28, 2007 TOC Meeting Agenda Packet. The TOC has since met regularly to provide an enhanced level of accountability for expenditures of Revenues and to help ensure that all voter mandates are carried out as required. Agenda Packets and Meeting Minutes for each TOC meeting can be found in the Document Center. Please reference: <a href="#">"TOC Agenda Packet,"</a> dated August 28, 2007.
20.00	Have performance assessments to evaluate efficiency, effectiveness, economy, and program results been conducted every three years?	Sec. 10.6	PMO	Recurring	Done to Date	Francesca Ching	Yes, to date, four Triennial M2 Performance Assessments have been conducted. The most recent performance assessment covering 2015 – 2018 can be found:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p><a href="#">"Triennial M2 Performance Assessment FY2015-16 to FY 2017-18,"</a> dated March 11, 2019.</p> <p>Please reference the following Staff Reports:  <a href="#">"Triennial M2 Performance Assessment FY 2006-07 to FY 2009,"</a> dated November 22, 2010.  <a href="#">"Triennial M2 Performance Assessment FY 2009-10 to FY 2011-12,"</a> dated April 8, 2013.  <a href="#">"Triennial M2 Performance Assessment FY 2012-13 to FY 2014-15,"</a> dated August 8, 2016.</p>
21.00	Have the performance assessments been provided to the Taxpayers Oversight Committee?	Sec. 10.6	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes, to date, four performance assessments have been provided to the TOC.</p> <p>Please reference the following agenda packets:  <a href="#">"TOC Agenda Packet 2010,"</a> dated December 14, 2010.  <a href="#">"TOC Agenda Packet 2013,"</a> dated April 9, 2013.  <a href="#">"TOC Agenda Packet 2016,"</a> dated June 14, 2016.  <a href="#">"TOC Agenda Packet 2019,"</a> dated April 9, 2019.</p>
22.00	Have quarterly status reports regarding the major projects detailed in the Plan been brought before the Authority in public meetings?	Sec. 10.7	PMO	Recurring	Done to Date	Francesca Ching	<p>Yes, quarterly reports have consistently been brought before the Board. The reports are posted on the OCTA website and saved in the M2 Document Center. These reports can be found by searching for "M2 Quarterly Report." The latest report was presented to the Board on March 8, 2021.</p> <p>Please reference:  <a href="#">"Measure M2 Quarterly Progress Report for the Period of January 2020 to March 2020,"</a> dated June 8, 2020.  <a href="#">"Measure M2 Quarterly Progress Report for the Period of April 2020 to June 2020,"</a> dated September 14, 2020.  <a href="#">"Measure M2 Quarterly Progress Report for the Period of July 2020 to September 2020,"</a> dated January 11, 2021.  <a href="#">"Measure M2 Quarterly Progress Report for the Period of October 2020 to December 2020,"</a> dated March 8, 2021.</p>
23.00	Has the Authority published an annual report on how revenues have been spent and on progress toward implementation and publicly reported on the findings?	Sec. 10.8	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. These annual reports were prepared and made public since FY 2010-11. The FY 2019-20 information can be found on the <a href="#">2020 infographic</a> and <a href="#">M2 website</a>.</p>
24.00	Has the Authority, every ten years, conducted a comprehensive review of all projects and programs implemented under the Plan to evaluate the performance of the overall program?	Sec. 11	PMO	Recurring	Done to date	Francesca Ching	<p>The first comprehensive Ten-Year Review was conducted for the period covering November 8, 2006 through June 30, 2015. The final report was presented to the Board on October 12, 2015.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: <a href="#">"M2 Ten-Year Review Report,"</a> dated October 12, 2015.
25.00	<b>If the Authority has amended the Ordinance, including the Plan, has the Authority followed the process and notification requirements in Ordinance No. 3, Sec. 12, including approval by not less than two-thirds vote of the Taxpayer Oversight Committee?</b>	Sec. 12	PMO, External Affairs	Recurring	Done to Date	Francesca Ching & Alice Rogan	<p>Yes. There have been four amendments to Ordinance No. 3.</p> <p>For Amendment #1 (November 9, 2012) to the Plan (Freeway Category), OCTA followed the Plan amendment process and notification requirements (including TOC approval on October 9, 2012).</p> <p>For Amendments #2 and # 4 (November 25, 2013 and June 22, 2020) to the Ordinance (Attachment C), OCTA followed the Ordinance amendment process and notification requirements (did not require TOC approval).</p> <p>For Amendment #3 (December 14, 2015, corrected on March 14, 2016) to the Plan (Transit Category) and Ordinance (Attachment B), OCTA followed the Plan amendment process and notification requirements (including TOC approval on November 10, 2015).</p> <p>Please reference the following Staff Reports:  <a href="#">"Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program,"</a> dated November 9, 2012 for Amendment #1.  <a href="#">"Public Hearing on Proposal to Amend Orange County Local Transportation Authority Ordinance No. 3 to Modify Taxpayer Oversight Committee Membership Eligibility,"</a> dated November 25, 2013 for Amendment #2.  <a href="#">"Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program,"</a> dated December 14, 2015 for Amendment #3.  <a href="#">"Public Hearing to Amend the Measure M2 Orange County Local Transportation Authority Ordinance No. 3,"</a> dated June 22, 2020 for Amendment #4.</p>
26.00	<b>General Requirements - Allocation of Net Revenues</b>						
27.00	<b>Have at least five percent of the Net Revenues allocated for Freeway Projects been used to fund Programmatic Mitigation of Freeway Projects, and have these funds derived by pooling funds from the mitigation budgets of individual Freeway Projects?</b>	Att. B, Sec. II.A.5	Planning, F & A	30-year	Done to date	Sean Murdock	Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.

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							Please reference: " <a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a> ," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
28.00	<p><b>Has the Authority used Revenues as follows:</b></p> <ul style="list-style-type: none"> <li>- First, paid the California Department of Tax and Fee Administration (formerly State Board of Equalization) for services and functions?</li> <li>- Second, paid the administrative costs of the Authority?</li> <li>- Third, satisfied the annual allocation of two percent of Revenues for Environmental Cleanup?</li> <li>- Fourth, satisfied the debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations?</li> </ul>	Att. B, Sec. IV.A.1-4	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "<a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a>," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
29.00	<p><b>After providing for the use of Revenues as described above, has the Authority allocated Net Revenues as follows:</b></p> <ul style="list-style-type: none"> <li>- Freeway Projects - 43%?</li> <li>- Streets and Roads Projects - 32%?</li> <li>- Transit Projects - 25%?</li> </ul>	Att. B, Sec. IV.B.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "<a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a>," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
30.00	<p><b>Has the allocation of the 32 percent for Streets and Roads Projects been made as follows:</b></p> <ul style="list-style-type: none"> <li>- Regional Capacity Program projects - 10% of Net Revenues?</li> <li>- Regional Traffic Signal Synchronization Program projects - 4% of Net Revenues?</li> <li>- Local Fair Share Program projects - 18% of Net Revenues?</li> </ul>	Att. B, Sec. IV.C.1-3	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See independent auditor's findings related to applying Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: "<a href="#">OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report</a>," for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.</p>
31.00	<b>If the percentage basis of the allocation of Net Revenues in any given year is different than required by Sections B and C (except for Local Fair Share Program projects), have the percentage allocations set forth in Sections B and C been achieved during the duration of the Ordinance?</b>	Att. B, Sec. IV.D	F & A	30-year	Not yet required	Sean Murdock	The percentage basis allocation is not an annual requirement but must be achieved during the duration of the Ordinance.
32.00	<b>Have Net Revenues allocated for the Local Fair Share Program pursuant to Att. B, Sec. IV.C been paid to Eligible Jurisdictions within 60 days of receipt by the Authority?</b>	Att. B, Sec. IV.E	F & A	Recurring	Done to date	Sean Murdock	<p>Yes. See General Accounting payments for Local Fair Share funds for FY 2019-20. Also note that Agreed-Upon Procedures to the Measure M2 Status Report.</p> <p>Please reference: <a href="#">FY 2019-20 Project Q Local Fair Share Payments</a>.</p>



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							<a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021.
33.00	<b>If the Authority exchanged Net Revenues from a Plan funding category for federal, state or other local funds, has the Authority and the exchanging public agency used the exchanged funds for the same program or project authorized for the use of the funds prior to the exchange, have such federal, state or local funds received by the Authority been allocated to the same Plan funding category that was the source of the exchanged Net Revenues?</b>	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	Sean Murdock	Not applicable to date because there have been no exchanges.
34.00	<b>Has the Authority followed the requirement that in no event shall an exchange of funds reduce the Net Revenues allocated for Programmatic Mitigation of Freeway Projects?</b>	Att. B, Sec. IV.F	Planning, F & A	Recurring	Not yet required	Sean Murdock	Not applicable to date because there have been no exchanges.
35.00	<b>Has the Authority, upon review and acceptance of any Project Final Report, allocated the balance of Net Revenues, less the interest earned on the Net Revenues allocated for the project?</b>	Att. B, Sec. IV.H	Planning	Recurring	Done to Date	Joe Alcock/ Adriann Cardoso	Yes. As projects are completed, any unused funds from each project are made available for other projects within the same category, as needed.  Examples below: " <a href="#">Ordinance Amendment 1</a> ," dated November 9, 2012. " <a href="#">Ordinance Amendment 3</a> ," dated March 14, 2016.  There have been no reallocations across categories (43% Freeway, 32% Streets and Roads, and 25% Transit), in accordance with overall requirements in Att. B, Sec IV.B.
<b>36.00</b>	<b>Requirements Related to All Freeway Projects</b>						
37.00	<b>Have Freeway Projects been planned, designed and constructed with consideration for their aesthetic, historic and environmental impacts on nearby properties and communities?</b>	Att. A, p. 5 Freeway Projects Overview	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes. Freeway Projects are developed with input from Cities, the public, other stakeholders and various interest groups. For example, landscaping and aesthetics are prepared with input from city representatives and the public to ensure that each city is given an opportunity to include its own "theme" while preserving the overall uniformity on the freeways throughout Orange County.  Please reference: " <a href="#">Historic Resources Compliance Report HRCR</a> ," dated December 2008, Project H portion in the Environmental Document.
38.00	<b>Has a Master Agreement for environmental and programmatic mitigation of freeway projects between OCLTA and state and federal resource agencies been executed?</b>	Att. A, p.5 Freeway Projects Overview	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement, executed in January 2010, served as the Master Agreement. As a note, the termination date on the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.

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							Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a> "
39.00	Has the OCLTA made every effort to maximize Orange County's share of state and federal freeway dollars?	Att. B, Sec. II.A.1	Govt Relations, Planning	Recurring	Done to date	Adriann Cardoso	Yes. Since 2006, OCTA has received and programmed the following amounts, for freeway projects included in the M2 Plan: federal - \$570 million, state - \$945 million, other local - \$123 million. OCTA was also successful in receiving a TIFIA loan for \$629 million against future toll revenues for the I-405 from SR-73 to I-605 project.  Please reference: " <a href="#">Capital Programming Update</a> ," dated July 13, 2020.
40.00	Have all major approval actions for Freeway Projects, including project concept, location, and any change in scope, been agreed upon by Caltrans, the Authority, project sponsors, and where appropriate, the FHWA and/or the California Transportation Commission?	Att. B, Sec. II.A.2	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, coordination with the agencies listed is a constant, and the required approval actions are obtained from the appropriate agencies. Project concept, location, and scope are determined when the preferred alternative is selected and identified in the final approved environmental document (ED). The Final ED is approved by Caltrans, which includes delegated NEPA authority from FHWA. The environmental documents are also provided to the CTC. Scope changes will often require changes to the Cooperative Agreement between OCTA and Caltrans. Design modifications and exceptions to design requirements are coordinated with Caltrans District 12 and Headquarters (Sacramento), which has the delegated authority from FHWA to approve design exceptions. Project Change Requests are required to be approved by both OCTA and Caltrans when a change in scope is large enough to warrant a change in project funding. Approval by the California Transportation Commission may also be required if state funds are requested or a baseline agreement amendment is required.
41.00	Has the Authority, prior to allocation of Net Revenues for any Freeway Project, obtained written assurances from the appropriate state agency that after the project is constructed to at least minimum acceptable state standards, the State shall be responsible for maintenance and operation?	Att. B, Sec. II.A.3	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, construction Cooperative Agreements between OCTA and Caltrans include language that assigns maintenance and operations to Caltrans. For an example, please reference Attachment A, article 31 of the " <a href="#">Cooperative Agreement with the California Department of Transportation for the Interstate 5 HOV Improvement Project Between Avenida Pico and Avenida Vista Hermosa</a> ," dated December 9, 2013. This agreement ( <a href="#">C-3-2080</a> ) was executed on May 1, 2014.
42.00	Have Freeway Projects been built largely within existing rights of way using the latest highway design and safety requirements?	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, keeping generally within existing right-of-way is one of the largest project parameters. For example, elimination of braided ramps on the I-405 Improvement Project was approved in the final EIR/EIS to reduce the full ROW acquisitions while still ensuring that the design meets Caltrans design and

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							safety standards. Keeping the ROW impacts to some partial acquisitions and primarily temporary construction easements while adding four lanes to the I-405 is a major accomplishment for a \$2.08 billion project, the largest project in the M2 freeway program, highlighting the importance placed on working within ROW constraints. For an example, please reference: " <a href="#">I-405 Supplemental Draft Environmental Impact Report/EIS</a> ," dated May 2013.
43.00	<b>To the greatest extent possible within the available budget, have Freeway Projects been implemented using Context Sensitive Design? ("Context Sensitive Design features" are further described in the referenced provision.)</b>	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, freeway projects include many context sensitive design features, from the Planning stages, through Environmental, Design, and Construction. The project team, including Public Outreach, coordinates with local cities and other agencies on landscaping, aesthetic and soft/hardscape features. For example, the construction of sound walls requires public input, in the form of a soundwall survey, to determine if soundwalls will be built. Aesthetics of soundwalls, retaining walls and bridges take into account City and community preferences.
44.00	<b>Have Freeway Projects, to the greatest extent possible within the available budget, been planned, designed, and constructed using a flexible community-responsive and collaborative approach to balance aesthetic, historic and environmental values with transportation safety, mobility, maintenance and performance goals?</b>	Att. B, Sec. II.A.4	Capital Programs - Highways	Recurring	Done to Date	Rose Casey	Yes, Community Outreach is a constant on all the Freeway Projects. Open Houses, City Council presentations, local agency meetings and other forms of Outreach are deployed in order to obtain community feedback so that modifications are made, where possible, to retain these values. All design features and proposed changes are reviewed and approved by Caltrans to ensure safety, mobility, maintenance and performance goals.
45.00	<b>Have the Net Revenues allocated to Freeway Projects for use in funding Programmatic Mitigation for Freeway Projects been subject to the following:</b>	Att. B, Sec. II.A.5	Planning		Done	Dan Phu	See items 45.01 - 45.09
45.01	<b>Has a Master Environmental Mitigation and Resource Protection Plan and Agreement (Master Agreement) between the Authority and state and federal resources been developed?</b>	Att. B, Sec. II.A.5.a	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. As a note, the Planning Agreement was extended as it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.  Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA</a> ."
45.02	<b>Does the Master Agreement include commitments by the Authority to provide programmatic environmental mitigation of Freeway Projects?</b>	Att. B, Sec. II.A.5.a.(i)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Item 1 within the Agreement which refers to commitments by OCTA to provide programmatic environmental mitigation of Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.

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							Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a> "
45.03	<b>Does the Master Agreement include commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects?</b>	Att. B, Sec. II.A.5.a.(ii)	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. The Memorandum of Agreement and Planning Agreement executed in January 2010, served as the Master Agreement. See Items 6 and 8 within the Agreement as it relates to commitments by state and federal agencies to reduce project delays associated with permitting and streamline the process for Freeway Projects. As a note, an extension of the termination date on the Planning Agreement was required since it took longer than anticipated to complete the NCCP/HCP and EIR/EIS.</p> <p>Please reference: "<a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a>"</p>
45.04	<b>Does the Master Agreement include an accounting process for mitigation obligations and credits that will document net environmental benefit from regional, programmatic mitigation in exchange for net benefit in the delivery of transportation improvements through streamlined and timely approvals and permitting?</b>	Att. B, Sec. II.A.5.a.(iii)	Planning	One-time, start-up	Done	Dan Phu	<p>Yes. Development of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) set forth the process to meet this provision (Sections 5 and 6). The Final NCCP/HCP was approved by the Board and the Final EIR/EIS was certified by the Board on November 28, 2016.</p> <p>Please reference: "<a href="#">Final Natural Community Conservation Plan/Habitat Conservation Plan and Associated EIR/EIS,</a>" dated November 28, 2016.</p> <p>The corresponding state and federal wildlife agency permits were received in June 2017.</p> <p>Please reference: "<a href="#">OCTA M2 NCCP-HCP Implementing Agreement with Fed and State Fish-Wildlife and Caltrans,</a>" dated June 19, 2017.</p> <p>An accounting process is folded into the NCCP/HCP for mitigation obligations and credits. An annual report is required and will document freeway project level impacts as well as mitigation performed for those freeway projects. The first annual report will be finalized in 2019 and will include activities related to the NCCP/HCP from 2011. The future annual reports will only include one year's activities in relation to the NCCP/HCP. Actual impacts will be compared against assumptions made within the NCCP/HCP. Net environmental benefits from the NCCP/HCP are summarized in Table ES-1 of the NCCP/HCP. Biological permits from the wildlife regulatory agencies were issued in advance, therefore streamlining the delivery of the transportation projects.</p>

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45.05	Does the Master Agreement include a description of the specific mitigation actions and expenditures to be undertaken and a phasing, implementation, and maintenance plan?	Att. B, Sec. II.A.5.a.(iv)	Planning	One-time, start-up	Done	Dan Phu	Yes, the Memorandum of Agreement and Planning Agreement, executed in January 2010, included this provision.  Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a> "
45.06	Does the Master Agreement include appointment by the Authority of a Mitigation and Resource Protection Oversight Committee to make recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and to monitor implementation of the Master Agreement?	Att. B, Sec. II.A.5.a.(v)	Planning	One-time, start-up	Done	Dan Phu	Yes. The Environmental Oversight Committee makes recommendations to the Authority on the allocation of Net Revenues for programmatic mitigation and also monitors the implementation of the Environmental Mitigation Program which is based on the Master Agreement.  Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a> "
45.07	Was an Environmental Oversight Committee appointed and does it consist of no more than 12 members and is comprised of representatives of the Authority, Caltrans, state and federal resource agencies, non-governmental environmental organizations, the public and the Taxpayer Oversight Committee?	Att. B, Sec. II.A.5.a.(v)	Planning, External Affairs	One-time, start-up	Done	Dan Phu & Marissa Espino	Yes. Creation of the EOC occurred in 2007 with applicant scoring and selection for membership by the Transportation 2020 Committee on October 15, 2007. The first EOC meeting took place on November 13, 2007.  Please reference: " <a href="#">Renewed Measure M Environmental Committees Selection Process</a> ," dated October 22, 2007. " <a href="#">EOC Minutes</a> ," dated November 13, 2007. " <a href="#">Status Report on Renewed Measure M Environmental Programs</a> ," dated August 25, 2008. " <a href="#">EOC Roster 2020</a> "
45.08	Was the Master Agreement developed as soon as practicable following the approval of the ballot proposition by the electors?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes, the Memorandum of Agreement and Planning Agreement process began in early 2008.
45.09	Have the Authority and state and federal resource agencies developed the Master Agreement prior to the implementation of Freeway Projects?	Att. B, Sec. II.A.5.b	Planning	One-time, start-up	Done	Dan Phu	Yes. The Memorandum of Agreement and Planning Agreement process began in early 2008 and was fully executed by OCTA and state and federal resources agencies in January 2010. During this timeframe, the Early Action Plan also authorized the project development processes for various M2 freeway projects, which included preliminary engineering, environmental studies, and final design work. The initiation of this work also maximized OCTA's ability to compete for state and federal funds (i.e., CMIA and federal stimulus). With the exception of the eastbound SR-91 lane addition between SR-241 and SR-71 and the State Route 22 access improvements, the rest of the M2 freeway projects did not begin construction until after January 2010. The Eastbound SR-91 lane addition project began construction in late 2009 and utilized primarily American Recover and Reinvestment Act (ARRA) federal stimulus

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							funds and the SR-22 improvements were amended into Measure M1 and completed early in 2007 as a "bonus project" as part of the SR-22 D/B project.  Please reference: " <a href="#">C-9-0278 Agreement, Environmental Mitigation Program MOA.</a> "
<b>46.00</b>	<b>Requirements Related to Specific Freeway Projects</b>						
<b>47.00</b>	<b>Project A</b>						
<b>48.00</b>	<b>Have Santa Ana Freeway (I-5) improvements between the Costa Mesa freeway (SR-55) and "Orange Crush" (SR-57) described in Project A been built:</b>	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Done to Date	Rose Casey	
<b>48.01</b>	<b>At the SR-55/I-5 interchange area between the Fourth Street and Newport Boulevard ramps on I-5?</b>	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	See notes for Item 48.02.
<b>48.02</b>	<b>On SR-55 between Fourth Street and Edinger Avenue?</b>	Att. A, p. 7	Capital Programs - Highways	30-year	Modified	Rose Casey	No. Project A improvement limits do not include SR-55 between Fourth Street and Edinger Avenue (agreed to by cities and Caltrans) due to lack of support/consensus between Caltrans and local jurisdictions which is a requirement of M2. There are some improvements included in Project F on SR-55 between I-405 and I-5.
<b>48.03</b>	<b>On I-5 between SR-55 and SR-57?</b>	Att. A, p. 7	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Construction on this project began in December 2018 and is anticipated to be completed in January 2021.
<b>49.00</b>	<b>Have the Project A improvements, as built, increased capacity and reduced congestion?</b>	Att. A, p. 7, Project A	Capital Programs - Highways	30-year	Done to Date	Rose Casey	The project added capacity with a second carpool lane and relieved congestion upon construction completion as identified during the environmental phase.
<b>50.00</b>	<b>Project B</b>						
<b>51.00</b>	<b>Have new lanes been built and interchanges improved on the Santa Ana Freeway (I-5) between the Costa Mesa freeway (SR-55) to El Toro "Y"?</b>	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase for the project was completed in January 2020. Final design and construction will be segmented into two segments with Final Design for Segment 2 (Yale Avenue to SR-55) expected to commence in March 2021 and Final Design for Segment 1 (I-405 to Yale Avenue) in September 2021. Segment 1 is anticipated to be completed in 2029 and Segment 2 in 2028.
<b>52.00</b>	<b>Have the Project B improvements as built increased capacity and reduced congestion?</b>	Att. A, p. 7, Project B	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes in Item 51.00. The project will add capacity with one additional general-purpose lane in each direction and relieve congestion upon construction completion as identified during the environmental phase.
<b>53.00</b>	<b>Project C</b>						

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54.00	Have Santa Ana Freeway (I-5) improvements south of the El Toro "Y" been built with:	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The I-5, Avenida Pico to San Juan Creek Road (including interchange improvements at Avenida Pico) was divided into three segments for design and construction. This project added a new HOV lane in both directions of I-5 between PCH and Avenida Pico, reconstruct the Avenida Pico Interchange, and reconstructed on- and off-ramps along the project area. All three segments are now complete.</p> <p>The I-5, SR-73 to El Toro Road project (including interchange improvements at Avery Parkway and La Paz Road) completed the environmental phase in May 2014. The project was divided into three segments for design and construction. Segments 1 and 2 are currently under construction. The construction contract for Segment 3 was approved by Caltrans in October 2020. This project adds a general-purpose lane in each direction, extends the second HOV lane in both directions from El Toro Road to Alicia Parkway, reconstruct the La Paz Road and Avery Parkway interchanges, and add auxiliary lanes where needed. The forecasted construction completion date of the last segment is January 2025.</p>
54.01	New lanes from the vicinity of the El Toro Interchange in Lake Forest to the vicinity of SR-73 in Mission Viejo?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 54.00. New lanes will be added upon construction completion.</p> <p>Segment 1, I-5 between SR-73 and Oso Parkway (including improvements to Avery Parkway Interchange): The construction contract was awarded in December 2019 and construction began in February 2020.</p> <p>Segment 2, I-5 between Oso Parkway and Alicia Parkway (including improvements to La Paz Interchange): The construction contract was awarded in March 2019 and construction began in April 2019.</p> <p>Segment 3, I-5 between Alicia Parkway and El Toro Road, the construction contract was awarded in September 2020 and construction activities began in October 2020.</p>
54.02	New lanes between Pacific Coast Highway and Avenida Pico?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Completed	Rose Casey	<p>Yes, new HOV lanes have been added between PCH and Avenida Pico and were broken into three segments. See notes in Item 54.00.</p> <p>The I-5, Avenida Pico to Vista Hermosa project (including interchange improvements at Avenida Pico) began construction in December 2014 and was completed in August 2018.</p> <p>Please reference:  <a href="#">"FC101 Master Schedule Complete,"</a> Project Controls Schedule dated October 16, 2018. "Plan Sheets" are available on <a href="#">Caltrans' website</a> using Contract No. 12-0F96A4, Invitation for Bids dated September 2, 2014.</p>

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							<p>The I-5, Vista Hermosa to PCH project began construction in July 2014 and was completed in July 2017.  Please reference:  <a href="#">"FC103 Master Schedule Complete,"</a> Project Controls Schedule dated August 17, 2017. "Plan Sheets" are available on the <a href="#">Caltrans' website</a> using Contract No. 12-0F96C4, Invitation for Bids dated February 3, 2014.</p> <p>The I-5, PCH to San Juan Creek Road project started construction in December 2013 and was completed in July 2018.  Please reference:  <a href="#">"FC104 Master Schedule Complete,"</a> Project Controls Schedule dated September 17, 2018. "Plan Sheets" are available on the <a href="#">Caltrans' website</a> using Contract No. 12-0F96E4, Invitation for Bids dated August 19, 2013.</p>
54.03	Major improvements at local interchanges as determined in Project D?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Avenida Pico, Avery Parkway and La Paz Parkway are incorporated into project C. (See notes Item 54.00 for main item status which includes these interchanges and notes from 56.00 for remaining interchanges.)
55.00	Have the Project C improvements as built increased capacity and reduced congestion?	Att. A, p. 8, Project C	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 54.00. The I-5 HOV Improvement projects (between San Juan Creek Road and Avenida Pico) increased capacity and reduced congestion as identified during the environmental phase. The additional general- purpose lane to be added in each direction from SR-73 to El Toro Road will also relieve congestion once constructed.
56.00	Project D						
57.00	Have key I-5 interchanges such as Avenida Pico, Ortega Highway, Avery Parkway, La Paz Road, El Toro Road, and others been updated and improved to relieve street congestion around older interchanges and on ramps?	Att. A, p. 8, Project D	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See item 54.00 for status of Avenida Pico, Avery Parkway and La Paz Road interchanges. Construction of the I-5/Ortega Highway Interchange project was completed in December 2015. The interchange was opened for public use in fall 2015.</p> <p>Please reference:  <a href="#">"FD101 Master Schedule Complete,"</a> Project Controls Schedule dated February 19, 2016. "FD101 I-5 Ortega, SR-74 Ortega Highway Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-0E3104, Invitation for Bids dated June 4, 2012.</p> <p>The I-5/El Toro Road Interchange environmental phase began in April 2017. As of December 2019, the completion of the environmental phase had been stalled due to lack of consensus on an alternative with the stakeholder cities. OCTA, in conjunction with Caltrans and the cities, are currently working on an</p>



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							Alternatives Assessment to determine if there are other potential alternatives that can be agreed to by Caltrans and all cities. The results of the Alternatives Assessment are anticipated by March 2021. Without consensus, OCTA will not move forward.
<b>58.00</b>	<b>Project E</b>						
<b>59.00</b>	<b>Have interchange improvements on the Garden Grove Freeway (SR-22) been constructed at the following interchanges:</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, completed in 2007. Improvements were made to the three interchanges listed below to reduce freeway and street congestion in the area. The project was completed early as a "bonus project" provided by the original Measure M.  Please reference: " <a href="#">F7100 EA 0J9601 SR-22 As Built Plans Approved</a> ," dated November 30, 2006.
<b>59.01</b>	<b>Euclid Street?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
<b>59.02</b>	<b>Brookhurst Street?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
<b>59.03</b>	<b>Harbor Boulevard?</b>	Att. A, p. 9, Project E	Capital Programs - Highways	30-year	Completed	Rose Casey	Yes, see notes in Item 59.00.
<b>60.00</b>	<b>Project F</b>						
<b>61.00</b>	<b>Have new lanes, including merging lanes to smooth traffic, been added to the Costa Mesa Freeway (SR-55) between SR-22 and I-405 generally constructed within existing ROW?</b>	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The SR-55 project between I-405 and I-5 is currently in the design phase with an expected phase completion by April 2021. As of December 2020, the construction was forecasted to be complete in mid-2026. The project will generally be constructed within the existing ROW however right-of-way is required at 33 properties.  The environmental phase for the SR-55 project between I-5 and SR-91 began in January 2017 and completed in March 2020. Final design is anticipated to begin in 2022. .
<b>62.00</b>	<b>Have operational improvements been made to the SR-55 between SR-91 and SR-22?</b>	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Operations will improve upon construction completion as identified during the environmental phase.
<b>63.00</b>	<b>Have these improvements increased freeway capacity and reduced congestion?</b>	Att. A, p. 9, Project F	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 61.00. Capacity will increase and congestion will reduce upon construction completion as identified during the environmental phase.

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<b>64.00</b>	<b>Project G</b>						
<b>65.00</b>	<b>Have the following improvements been made to the Orange Freeway (SR-57):</b>	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of five project segments for Project G: Orangewood Avenue to Katella Avenue, Katella Avenue to Lincoln Avenue, Orangethorpe Avenue to Yorba Linda Boulevard, Yorba Linda Boulevard to Lambert Road and Lambert Road to the Los Angeles County line. Construction of three of the five segments were completed in the 2014 to 2015 timeframe. See below for the remaining two segments:</p> <p>The environmental phase for the project between Orangewood Avenue to Katella Avenue was completed in 2019. The RFP for final design is anticipated to be released in mid-2021.</p> <p>The environmental phase for Lambert Road to Los Angeles County line is anticipated to begin in 2023.</p>
<b>65.01</b>	<b>A new northbound lane between Orangewood Avenue and Lambert Road?</b>	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 65.00. Construction of northbound SR-57 from Katella Avenue to Lincoln Avenue project was completed in April 2015, and the northbound SR-57 from Orangethorpe Avenue to Lambert Road segments were completed in May 2014 and November 2014.</p> <p>Please reference:  <a href="#">"FG101 Project Master Schedule Complete,"</a> Katella Avenue to Lincoln Avenue Project Controls Schedule dated May 18, 2015.  <a href="#">"FG101 Plans Sheets,"</a> which can also be found on <a href="#">Caltrans' website</a> using Contract No. 12-0F0404, Invitation for Bids dated July 18, 2011.  <a href="#">"FG102 Project Master Schedule Complete,"</a> Orangethorpe Avenue to Yorba Linda Boulevard Project Controls Schedule dated December 15, 2014.                      "FG102 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-0F0314, Invitation for Bids dated May 10, 2010.  <a href="#">"FG103 Project Master Schedule Complete,"</a> Yorba Linda Boulevard to Lambert Road Project Controls Schedule dated June 17, 2014.                      "FG103 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-0F0324, Invitation for Bids dated May 24, 2010.</p> <p>The environmental phase for the project between Orangewood Avenue and Katella Avenue was completed in March 2019. The RFP for final design is anticipated to be released in mid-2021.</p>

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65.02	Improvements to the Lambert Interchange?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The lead agency for the Lambert Road interchange project is the City of Brea. The project is currently in construction and anticipated to be complete in late 2021.
65.03	Addition of a northbound truck climbing lane between Lambert Road and Tonner Canyon?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	See notes Item 65.00. The fifth project on SR-57 includes improvements to the Lambert Road interchange (see above – 65.02) and a northbound truck climbing lane between Lambert Road and Tonner Canyon. The Environmental phase for this project is anticipated to begin in the near future and once completed, the design and construction schedules will be determined.
66.00	Have these improvements increased freeway capacity and reduced congestion?	Att. A, p. 10, Project G	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The three completed segments of northbound lanes on SR-57 from Katella to Lincoln and Orangethorpe to Lambert have increased capacity with the addition of a general-purpose lane and reduced congestion as identified during the environmental phase. See notes Item 65.00.
67.00	Project H						
68.00	On the Riverside Freeway (SR-91) from the I-5 to the SR-57:	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Implementation of this project provides an additional general-purpose lane in the westbound direction by connecting existing auxiliary lanes through the interchanges within the project limits to create a 4 <sup>th</sup> continuous westbound general-purpose lane. WB auxiliary lanes will be placed or added and exit ramps will be modified to 2-lane exit ramps. Construction began on the new westbound lane in February 2013, and construction was completed in June 2016.  Please reference: <a href="#">"FH101 Project Master Schedule Complete,"</a> Project Controls Schedule dated July 19, 2016. "Plan Sheets" on the <a href="#">Caltrans' website</a> using Contract No. 12-0C5704, Invitation for Bids dated October 1, 2012. <a href="#">"FH101 Special Provisions"</a>
68.01	Has capacity been added in the westbound direction?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, capacity was provided in the westbound direction as identified during the environmental phase. See notes in Item 68.00.
68.02	Have operational improvements been provided at on and off ramps?	Att. A, p. 11, Project H	Capital Programs - Highways	30-year	Done to Date	Rose Casey	Yes, operational improvements were provided at on- and off-ramps with the addition of auxiliary lanes. See notes in Item 68.00.
69.00	Project I						
70.00	On the Riverside Freeway (SR-91) from the SR-57 to the SR-55, has the interchange complex been improved, including nearby local interchanges such as Tustin Avenue and Lakeview?	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	There are a total of two projects for Project I. The portion of the Project I between SR-55 and Tustin Avenue, which is complete, and the portion from west of State College Boulevard to east of Lakeview Avenue, which provides

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							SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges, connectors, ramps, and intersections. This project began the environmental phase in January 2015, with an expected phase completion in June 2020.
71.00	<b>On the SR-91, has capacity been added between the SR-55 and the SR-57?</b>	Att. A, p. 11, Project I	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>See notes Item 70.00. The portion of Project I between SR-55 and Tustin Avenue added a westbound auxiliary lane from the westbound SR-55/ westbound SR-91 connector to Tustin Avenue off-ramp and an exit bypass lane on westbound SR-91 to Tustin Avenue off-ramp. This portion of Project I began construction in November 2013 and completed in July 2016.</p> <p>Please reference:  <a href="#">"FI102 Project Master Schedule Complete,"</a> Project Controls Schedule dated August 16, 2016. "Plan Sheets" on the <a href="#">Caltrans' website</a> using Contract No. 12-OC5604, Invitation for Bids dated June 17, 2013.</p> <p>The portion of the Project I from west of State College Boulevard to east of Lakeview Avenue provides the SR-91 freeway mainline widening in the eastbound direction, and modifications to various interchanges (including major modifications for the westbound SR-91 at both SR-57 and from Lakeview Avenue to SR-55), connectors, ramps, and intersections. The environmental phase of this project began in January 2015 and completed in June 2020. The project has been broken down into three segments for the design and construction phases. With the environmental phase completion, the design phase of all three segments has been initiated and began in 2020. These next phases will be funded using net excess 91 Express Lanes revenue as directed by the Board on November 14, 2016. The 91 Express Lanes revenue accelerates project completion, reducing risk and escalation cost.</p> <p>Please reference the following Staff Reports:  <a href="#">"Measure M2 Delivery Plan – Next 10,"</a> dated November 14, 2016.  <a href="#">"Measure M2 Updated Next 10 Delivery Plan,"</a> dated November 13, 2017.</p>
72.00	<b>Project J</b>						
73.00	<b>Have up to four new lanes on SR-91 between SR-241 and the Riverside County Line been added?</b>	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>There are a total of three project segments for Project J. The first project segment between State Route 241 and SR-71 added one eastbound lane and is complete. The second project segment between SR-55 and SR-241 added two lanes - one in each direction - and is also complete.</p> <p>Please reference:</p>

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							<p><a href="#">"FJ100 Project Master Schedule Complete,"</a> Project Controls Schedule dated February 24, 2011.  "FJ100 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-0G0404, Invitation for Bids dated June 28, 2009.</p> <p><a href="#">"FJ101 Project Master Schedule Complete,"</a> Project Controls Schedule dated April 15, 2013.  "FJ101 Plans Sheets" can be found on <a href="#">Caltrans' website</a> using Contract No. 12-0G3304, Invitation for Bids dated February 22, 2011.</p> <p>The remaining project segment will add a sixth lane between SR-241 and the Riverside County line to match up with an additional lane to be added by RCTC from the County line to SR-71. OCTA and RCTC are working together ensuring synchronization between the two counties. See item 75.00 for a link to the latest SR-91 Implementation Plan. Construction is underway for the sixth lane in the westbound direction as part of the SR-91 Corridor Operations Project (COP) between Green River Road and SR-241, and is anticipated to be completed in 2021. An alternatives analysis study of the eastbound direction began in April 2020 to better understand possible improvements given the difficult topography and other constraints. The study is anticipated to be completed in August 2021.</p>
74.00	<b>Was the following taken into consideration: Making best use of available freeway property, adding reversible lanes, building elevated sections, and improving connections to SR-241?</b>	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>When a project goes through the environmental phase, all viable alternatives are considered, and the best alternative is determined at that time. This is true for this project. OCTA is also working with the TCA, who is the named lead on the design and construction of the SR-91/SR-241 Direct Connector Project.</p> <p>Please reference: <a href="#">"Framework for Implementation of the State Route 241/91 Express Lanes Connector,"</a> dated October 28, 2019.</p>
75.00	<b>Were the projects constructed with similar coordinated improvements in Riverside County extending to I-15 with the funding for those in Riverside county paid for from other sources?</b>	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Not yet required	Rose Casey	<p>The SR-91 Implementation Plan, required by the state legislature to be updated annually, requires coordination between the two counties. Orange County and Riverside County are working cooperatively on all SR-91 projects. Project improvements within Riverside County limits are not paid for by Measure M.</p> <p>Please reference: <a href="#">"Draft 2020 State Route 91 Implementation Plan,"</a> dated July 13, 2020.</p>
76.00	<b>Also, was one new lane added in each direction on SR-91 between SR-241 and SR-55 and were the interchanges improved?</b>	Att. A, p. 12, Project J	Capital Programs - Highways	30-year	Done to Date	Rose Casey	<p>Yes. This project is complete. Improvements to Lakeview Interchange, Imperial Highway and Weir Canyon were included in this project. See Item 73.00 notes.</p>

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<b>77.00</b>	<b>Project K</b>						
<b>78.00</b>	<b>Have new lanes been added to the San Diego Freeway (I-405) between the I-605 and the SR-55?</b>	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The environmental phase was completed in May 2015. OCTA is implementing the preferred alternative from the EIR/EIS using the design-build delivery method and will acquire all necessary ROW. The addition of one general-purpose lane in each direction is M2 Project K. The addition of a second lane in the median, which when combined with the existing HOV lane, becomes the two-lane Express facility in each direction, will be funded with non-M2 funding sources. The Board awarded the design-build construction contract in November 2016. Construction began in January 2017 and as of December 2020, construction completion is forecasted for May 2023.
<b>79.00</b>	<b>Has the project made best use of available freeway property, updated interchanges and widened all local overcrossings according to city and regional master plans?</b>	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the majority of the ROW needed are temporary construction easements and some partial fee acquisitions. Local interchanges and overcrossings will be improved and widened according to city and regional master plans. Design of the local facilities has been closely coordinated with each corridor city.
<b>80.00</b>	<b>Have the improvements been coordinated with other planned I-405 improvements in the I-405/SR-22/I-605 interchange area to the north and I-405/SR-73 improvements to the south?</b>	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the I-405 improvements have been coordinated with the West County Connector improvements at the I-405/SR-22/I-605 interchange that have been completed. There will be a direct connector linking the I-405 Express Lanes with SR-73 to the south.
<b>81.00</b>	<b>Have the improvements adhered to recommendations of the Interstate 405 Major Investment Study adopted by the OCTA Board of Directors on October 14, 2005?</b>	Att. A, p. 13, Project K	Capital Programs - Highways	30-year	Not yet required	Rose Casey	Yes, the improvements will add one general-purpose lane in each direction as recommended in the I-405 Major Investment Study.
<b>82.00</b>	<b>Project L</b>						
<b>83.00</b>	<b>Have new lanes been added to the San Diego Freeway (I-405) between the SR-55 and the I-5?</b>	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	A project study report was completed in 2013. The environmental phase began in December 2014 and was completed in August 2018. The project is ready to move into design and construction but per OCTA Board direction to avoid planned construction of the parallel project (Project B/I-5) to prevent unnecessary burden on the travelling public.  Please reference: <a href="#">"Measure M2 Delivery Plan – Next 10,"</a> dated November 14, 2016. <a href="#">"Measure M2 Updated Next 10 Delivery Plan,"</a> dated November 13, 2017. <a href="#">"Measure M2 2018 Update: Next 10 Delivery Plan,"</a> dated September 10, 2018. <a href="#">"Measure M2 2019 Update: Next 10 Delivery Plan,"</a> dated November 11, 2019.
<b>84.00</b>	<b>Have chokepoints at interchanges been improved and merging lanes added near on/off ramps such as Lake Forest Drive, Irvine Center Drive and SR-133 to improve the overall freeway operations in the I405/I-5 El Toro "Y" area?</b>	Att. A, p. 14, Project L	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project includes on- and off-ramp realignment at various locations, as well as auxiliary lanes between on- and off-ramps where required. See notes in Item 83.00.

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85.00	Project M						
86.00	Have freeway access and arterial connections to I-605 serving the communities of Los Alamitos and Cypress been improved?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project study report was approved. The environmental phase began in August 2016 and was completed in October 2018. Final design is planned to begin in late 2020 and construction will follow in mid-2023.
87.00	Has the project been coordinated with other planned improvements to the SR-22 and SR-405?	Att. A, p. 15, Project M	Capital Programs - Highways	30-year	Not yet required	Rose Casey	The project takes into consideration the I-405 Design-Build construction project and other projects as identified during the environmental phase.
88.00	Project N						
89.00	Are basic freeway service patrols available Monday through Friday during peak commute hours?	Att. A, p. 15, Project N	Transit	30-year	Done to date	Patrick Sampson	<p>Yes, FSP service, divided into ten service areas, is available during peak commute hours on all freeways. Four service areas are under contract through October 2, 2021. Two service areas are under contract through December 3, 2021. Four service areas are under contract through December 1, 2023. M2 funded construction FSP service for the widening of I-405 started in July 2018. Mid-day and weekend service funded by M2 was approved by the Board on May 14, 2012 and began service on June 2, 2012. An M2 funded CHP dispatch position was filled in May 2013. Benefit/cost analysis of fiscal year 2018-19 service was completed in March 2020 and the results of the study will be incorporated into future service planning.</p> <p>Please reference: "<a href="#">Motorist Services Update for Fiscal Year 2018-19</a>," dated January 13, 2020.</p>
90.00	<b>Requirements for Eligible Jurisdictions</b>						
91.00	In order to be eligible to receive Net Revenues, has each jurisdiction satisfied the following requirements?	Att. B, Sec. III.A	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	See below for more on each eligibility items conclusions, listed under Item 91.
91.01	Complied with the conditions and requirements of the Orange County Congestion Management Program (CMP)?	Att. B, Sec. III.A.1	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Required odd years only. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next CMP submittal is due in 2021.</p> <p>Please reference: "<a href="#">Fiscal Year 2019-20 Measure M2 Annual Eligibility Review</a>," dated December 9, 2019.</p>
91.02	Assessed traffic impacts of new development and required new development to pay a fair share of improvements attributable to it?	Att. B, pp B-7 to 10, Sec. III.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required biennially except when there is an updated mitigation fee program. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021 unless there is an updated mitigation fee program.

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							Please reference: " <a href="#">Fiscal Year 2019-20 Measure M2 Annual Eligibility Review</a> ," dated December 9, 2019.
91.03	<b>Adopted and maintained a Circulation Element of its General Plan consistent with the MPAH?</b>	Att. B, Sec. III.A.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required biennially. This requirement was submitted to OCTA and was presented to the Board on December 9, 2019 as part of the Annual Eligibility Review. The next submittal is due in 2021.  Please reference: " <a href="#">Fiscal Year 2019-20 Measure M2 Annual Eligibility Review</a> ," dated December 9, 2019.
91.04	<b>Adopted and updated biennially a Capital Improvement Program that includes all capital transportation projects?</b>	Att. B, Sec. III.A.4	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA is requiring an annual 7-year CIP. This requirement was submitted to OCTA and was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review.  Please reference: " <a href="#">Measure M2 Annual Eligibility Review</a> ," dated December 14, 2020.
91.05	<b>Participated in Traffic Forums as described in Attachment B?</b>	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is an annual requirement. Local agencies have to attend at least one traffic forum on an annual basis to remain eligible for M2 net revenues. This requirement was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review.  Please reference: " <a href="#">Measure M2 Annual Eligibility Review</a> ," dated December 14, 2020.
91.06	<b>Adopted and maintained a Local Traffic Signal Synchronization Plan that identifies signalization street routes and signals; a three-year plan showing costs, available funding and phasing of capital, operations and maintenance of the street routes and traffic signals; and included information on how the street routes and signals may be synchronized with signals and routes in adjoining jurisdictions; and is consistent with the Traffic Signal Synchronization Master Plan?</b>	Att. B, Sec. III.A.6	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. This is required every three years. This requirement was adopted by local agency governing bodies and was presented to the Board on December 14, 2020 as part of the Annual Eligibility Review.  Please reference: " <a href="#">Measure M2 Annual Eligibility Review</a> ," dated December 14, 2020.
91.07	<b>Adopted and updated biennially a Pavement Management Plan (PMP) and issued, using a common format approved by the Authority, a report every two years regarding the status of road pavement conditions and implementation of the Pavement Management Plan?</b>	Att. B, Sec. III.A.7	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on an even-year cycle as part of the Measure M2 Annual Eligibility Review.  Even-year cycle reports were presented to the Board on December 14, 2020. Odd-year cycle reports were presented to the Board on December 9, 2019 as part of the Fiscal Year 2018-19 Measure M2 Annual Eligibility Review. All prior



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							reports to date have been submitted and approved per the requirements and noted in the previous year's tracking matrix.  Please reference the following Staff Reports: <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020. (for even-year agencies). <a href="#">"Fiscal Year 2019-20 M2 Annual Eligibility Review,"</a> dated December 9, 2019 (for odd-year agencies).
91.08	<b>Included in its PMP:</b> <b>-Current status of pavement on roads</b> <b>-Six-year plan for road maintenance and rehabilitation, including projects and funding</b> <b>-Projected road conditions resulting from the maintenance and rehabilitation plan</b> <b>-Alternative strategies and costs necessary to improve road pavement conditions</b>	Att. B, Sec. III.A.7.b-c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, all local agencies have adopted PMPs fully compliant with Att. B, Sec. III. A. 7. a. b. c., inclusive. All prior reports to date have been submitted and approved per the requirements and noted in previous year tracking matrix.  Please reference the following Staff Reports: <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020. (for even-year agencies). <a href="#">"Fiscal Year 2019-20 Annual Eligibility Review,"</a> dated December 9, 2019 (for odd-year agencies).
91.09	<b>Adopted an annual Expenditure Report to account for Net Revenues, developer/traffic impact fees, and funds expended by the Eligible Jurisdiction which satisfy the Maintenance of Effort requirements?</b>	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, the Board was presented with the Annual Expenditure Reports for FY 2018-19 on June 8, 2020 for all local agencies.  Please reference: <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,"</a> dated June 8, 2020.
91.10	<b>Submitted the Expenditure Report by the end of six months following the end of the jurisdiction's fiscal year and included all Net Revenue fund balances and interest earned, and expenditures identified by type and program and project?</b>	Att. B, Sec. III.A.8	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, all local agencies have submitted the expenditure reports by the end of six months following the end of the jurisdiction's fiscal year.  Please reference: <a href="#">"Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports,"</a> dated June 8, 2020.  Expenditure Reports for Fiscal Year 2019-20 are due to OCTA by December 31, 2020 and will be presented to the AER Subcommittee and TOC in March/April of 2021 and is anticipated to be approved by the Board in June of 2021.
91.11	<b>Provided the Authority with a Project Final Report within six months following completion of a project funded with Net Revenues?</b>	Att. B, Sec. III.A.9	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, an ongoing monitoring report is tracked frequently and uploaded to M2 Document Center. Please reference: <a href="#">"M2 Eligibility Compliance - 180 Day Tracking Report."</a>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
91.12	Agreed that Net Revenues for Regional Capacity Program projects and Traffic Signal Synchronization Program projects shall be expended or encumbered no later than the end of the fiscal year for which the Net Revenues are programmed, subject to extensions?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, net revenues are being expended and encumbered as required. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process. Note: Primarily due to the COVID-19 pandemic, 18 eligible encumbrance delays were requested and approved by the Board.</p> <p>Please reference: "<a href="#">Comprehensive Transportation Funding Programs Semi-Annual Review - March 2020</a>," dated August 10, 2020.</p> <p>Note: No encumbrance deadline delays were requested during the September 2020 semi-annual review.</p>
91.13	Any requests for extensions of the encumbrance deadline for no more than 24 months were submitted to the Authority no less than 90 days prior to the deadline?	Att. B, Sec. III.A.10.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. These requests are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.</p> <p>During the March 2020 Semi-Annual Review request, one local agency requested a 24-month delay to the encumbrance deadline after the 90-day deadline. The request was rejected by OCTA staff.</p> <p>Note: No encumbrance deadline delays were requested during the September 2020 semi-annual review.</p>
91.14	Agreed that Net Revenues for any program or project other than Regional Capacity Program projects or Traffic Signal Synchronization Program projects shall be expended or encumbered within three years of receipt, subject to extension?	Att. B, Sec. III.A.10.b	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, net revenues are being encumbered and expended consistent with these requirements. They are monitored through the M2 Master Tracker Database and the Semi-Annual Review Process.</p>
91.15	Agreed that if the above time limits were not satisfied, to return to the Authority any retained Net Revenues and interest earned on them to be available for allocation to any project within the same source?	Att. B, Sec. III.A.10.c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Local agencies that did not meet the three-year expenditure deadline were not paid for expenditures incurred beyond the expenditure deadline. This is continuously monitored via Local Program's payment processes and also documented in the M2 Master Tracker Database.</p>
91.16	Annually certified Maintenance of Effort requirements of Ordinance No. 3, Sec. 6?	Att. B, Sec. III.A.11	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. The Board approved the annual expenditure reports for 35 local agencies on June 8, 2020.</p> <p>Please reference: "<a href="#">Measure M2 Eligibility Review Recommendations for Fiscal Year 2018-19 Expenditure Reports</a>," dated June 8, 2020.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>On May 13, 2019, for the first time during the life of Measure M or M2, the Board found two cities ineligible to receive M2 revenues. Both the City of Stanton and the City of Santa Ana failed to satisfy the eligibility requirement of meeting the minimum MOE, a level of local streets and roads discretionary expenditures. As a result, net M2 payments for the two cities were suspended until the cities re-established eligibility by demonstrating compliance through an audit of M2-related expenditures for FY 2018-19. As part of the compliance requirement, the FY 2018-19 MOE requirements were increased by the amount that the Cities fell short in meeting the 2017-18 audit.</p> <p>Please reference:  <a href="#">“Measure M2 Eligibility for the City of Stanton,”</a> and <a href="#">“Measure M2 Eligibility for the City of Santa Ana,”</a> dated May 13, 2019.</p> <p>A second audit was completed in early 2020 by the OCTA Internal Auditor and determined that both cities met their FY 2018-19 MOE requirement which includes additional MOE expenditures to make up for the shortfall identified in OCTA’s original FY 2-17-18 audit. On April 13, 2020, the Board reinstated the cities of Stanton and Santa Ana’s eligibility to receive net M2 funds.</p> <p>Please reference:  <a href="#">“Measure M2 Eligibility for the City of Stanton,”</a> and <a href="#">“Measure M2 Eligibility for the City of Santa Ana,”</a> dated April 13, 2020.</p>
91.17	<b>Agreed that Net Revenues were not used to supplant developer funding which has or will be committed for any transportation project?</b>	Att. B, Sec. III.A.12	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. This is required annually. This was last presented to the Board for approval on December 14, 2020 as part of the Annual Eligibility Review.</p> <p>Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 14, 2020.</p>
91.18	<b>Considered as part of its General Plan, land use planning strategies that accommodate transit and non-motorized transportation?</b>	Att. B, Sec. III.A.13	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. This is required annually. This was last presented to the Board for approval on December 14, 2020 as part of the Annual Eligibility Review.</p> <p>Please reference: <a href="#">“Measure M2 Annual Eligibility Review,”</a> dated December 14, 2020.</p>
92.00	<b>Has the Authority, in consultation with the Eligible Jurisdictions, defined a countywide management method to inventory,</b>	Att. B, Sec. III.A.7.a	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, the Countywide Pavement Management Program Guidelines which implement Att. B, Sec. III. A.7.a. b. and c. were developed by OCTA staff in</p>

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	analyze and evaluate road pavement conditions and a common method to measure improvement of road pavement conditions?						consultation with the Technical Advisory Committee and approved by the Board of Directors on May 24, 2010.  The PMP guidelines were last revised and approved by the Board on April 13, 2020.  Please reference: " <a href="#">Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines</a> ," dated April 13, 2020.
<b>93.00</b>	<b>Requirements Related to Specific Streets and Roads Projects</b>						
<b>94.00</b>	<b>Project O - Regional Capacity Program</b>						
<b>95.00</b>	Prior to the allocation of Net Revenues for any Street and Road Project, has the Authority, in cooperation with affected agencies, determined the entity(ies) to be responsible for the maintenance and operation thereof, utilizing maintenance and operating agreements with each agency receiving streets and roads funding?	Att. B, Sec. II.C	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA relies on California Streets and Highways Code Sections 900-909 and 1800-1813 for Counties and Cities, respectively, which establishes the authority and obligations of local agencies to construct, maintain, and operate local streets and roads. For road projects implemented by OCTA on behalf of local agencies (e.g. select grade separations), OCTA enters cooperative agreements for construction and maintenance prior to implementation.
<b>96.00</b>	Has each eligible jurisdiction contributed local matching funds equal to 50 percent of Project O project or program costs?	Att. A, p. 18, Project O and Att. B, p. B-12, Sec. V.A.1	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, except when a match reduction has been approved. Funding recommendations for 2020 Call for Projects were approved by the Board on May 11, 2020.  Additional information on each fund source and percentage is available online on OCFUNDTRACKER.  Please reference: " <a href="#">Comprehensive Transportation Funding Programs - 2020 Call for Projects Programming Recommendations</a> ," dated May 11, 2020.
<b>97.00</b>	Alternatively, jurisdictions qualified for a ten- and/or five-percent reductions as provided in Attachment B have met those reduced match levels?	Att. A, p. 18, Project O and Att. B, Sec. V.A.1.a-c	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, except when a match reduction has been approved. Funding recommendations for 2020 Call for Projects were approved by the Board on May 11, 2020.  Additional information on each fund source and percentage is available online on OCFUNDTRACKER.  Please reference: " <a href="#">Comprehensive Transportation Funding Programs - 2020 Call for Projects Programming Recommendations</a> ," dated May 11, 2020.
<b>98.00</b>	Has a countywide competitive procedure for Project O been adopted by the Authority?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. The OCTA Board approved the revised CTFP Guidelines and issued the 2021 CTFP Annual Calls for Projects on August 10, 2020. Please reference:

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<a href="#">"Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects,"</a> dated August 10, 2020.
99.00	Have eligible Jurisdictions been consulted by the Authority in establishing criteria for determining priority for Project O allocations?	Att. B, Sec. V.A.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	The Technical Advisory Committee (TAC) recommended approval of modifications to the 2021 CTFP Guidelines on June 24, 2020, prior to the Board's action in August.  Meeting Minutes from the June 24, 2020 meeting were approved by the TAC on October 28, 2020: <a href="#">"TAC Meeting Minutes for June 24, 2020."</a>
100.00	Has funding under Project O been provided for construction of railroad over or underpass grade separations where high volume streets are impacted by freight trains along the Burlington Northern Santa Fe Railroad in northern Orange County?	Att. A, p. 18, Project O	Capital Programs, Planning	30-year	Done	Rose Casey & Adriann Cardoso	Yes, the Board authorized use of \$149.4 million in M2 funds as match for TCIF funding for seven Grade Separation projects.  Please reference: <a href="#">"OC Bridges Railroad Grade Separation Program Funding Update and Closeout,"</a> dated July 13, 2020.  All seven grade separations have been completed and are open to traffic.  Please reference: <a href="#">"OC Bridges Railroad Grade Separation Completion,"</a> staff presentation dated December 11, 2017.
101.00	Project P - Regional Traffic Signal Synchronization Program						
102.00	Have the Cities, the County of Orange and Caltrans, as required, worked together to prepare a common Traffic Signal Synchronization Master Plan and the necessary governance and legal arrangements before receiving funds, and has the Authority adopted and maintained the Master Plan which was a part of the MPAH?	Att. A, p. 19, Project P and Att. B, Sec. V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: <a href="#">"Fiscal Year 2020-21 Updates to Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,"</a> dated April 13, 2020.
103.00	Does the Master Plan include synchronization of street routes and traffic signals within and across jurisdictional boundaries and the means of implementing, operating and maintaining the programs and projects including necessary governance and legal arrangements?	Att. A, p. 19, Project P and Att. B,V.B.1	Planning	One-time, start-up	Done	Anup Kulkarni	Yes. Please reference: <a href="#">"Fiscal Year 2020-21 Updates to Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,"</a> dated April 13, 2020.
104.00	Has a countywide, competitive procedure been adopted by the Authority in consultation with eligible jurisdictions in establishing criteria for determining priority for allocations?	Att. B, Sec. V.B.2.a	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Procedures are developed by staff in consultant with the local jurisdictions and then approved by the Board for each Call for Projects with the priority for allocation updated as well. Please reference: <a href="#">"Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects,"</a> dated

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							August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines," chapter 8 in Attachment B.
105.00	Has the Authority given priority to programs and projects which include two or more jurisdictions?	Att. B, Sec. V.B.2.b	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Please reference: " <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects</a> ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-13 in Attachment B.
106.00	Has the Authority encouraged the State to participate in the Regional Traffic Signal Synchronization Program and given priority to use of transportation funds as match for the State's discretionary funds used for implementing Project P?	Att. B, Sec. V.B.2.c	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P allows state participation and allows for match to be fulfilled with both in-kind and cash. Match beyond 20 percent (including State discretionary funds) is provided additional priority in the evaluation.  Please reference: " <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects</a> ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-5 and 8-15 in Attachment B.
107.00	Has each local jurisdiction contributed matching local funds equal to 20 percent of the program or project cost? (May be satisfied all or in part with in-kind services provided by the Eligible Jurisdiction including salaries and benefits)	Att. A, p. 19, Project P and Att. B,V.B.3	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires a minimum 20 percent match.  Please reference: " <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects</a> ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-17 in Attachment B.
108.00	Has the project provided funding for ongoing maintenance and operation of the synchronization plan?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P requires ongoing maintenance and monitoring of the synchronization and provides funding for this task.  Please reference: " <a href="#">Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects</a> ," dated August 10, 2020, see "Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects," chapter 8, page 8-2 in Attachment B.
109.00	Have local jurisdictions publicly reported on the status and performance of their signal synchronization efforts at least every three years?	Att. A, p. 19, Project P and Att. B, Sec. V.B.4	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Status and performance of their signal synchronization efforts were reported in the Local Signal Synchronization Plan Updates that were completed June 30, 2020. The next submittal is due June 2023.  Please reference: " <a href="#">Measure M2 Annual Eligibility Review</a> ," dated December 14, 2020.
110.00	Has signal equipment to give emergency vehicles priority at intersections been an eligible expense for projects implemented as part of this program?	Att. A, p. 19, Project P	Planning	Recurring	Done to date	Anup Kulkarni	Yes. Project P includes signal equipment to give emergency vehicles priority at intersections as an eligible expense.

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							Please reference: <a href="#">“Measure M2 Comprehensive Transportation Funding Programs - 2021 Annual Call for Projects,”</a> dated August 10, 2020, see “Comprehensive Transportation Funding Program Guidelines – 2021 Call for Projects,” chapter 8, page 8-13 in Attachment B.
111.00	Have eligible jurisdictions and Caltrans, with the County of Orange and the Orange County Division of League of Cities, established boundaries for Traffic Forums?	Att. B, Sec. III.A.5	Planning	Recurring	Done to date	Anup Kulkarni	Yes. See the guidelines for the preparation of the original Local Signal Synchronization Plans that went to the Board on July 26, 2010, and also see the latest annual eligibility guidelines from April 13, 2020.  Please reference the following Staff Reports: <a href="#">“Guidelines for the Preparation of the Local Signal Synchronization Plans,”</a> dated July 26, 2010. <a href="#">“Fiscal Year 2020-21 Updates to the Measure M2 Eligibility, Local Signal Synchronization Plan, and Pavement Management Plan Guidelines,”</a> dated April 13, 2020.
112.00	<b>Project Q - Local Fair Share Program</b>						
113.00	Are Local Fair Share funds distributed by a formula that accounts for the following factors and weightings: - Population - 50%? - Street mileage - 25%? - Amount of sales tax collection in each jurisdiction - 25%?	Att. A, p. 20, Project Q Att. B, Sec. 5.C.1-3	Planning, F&A	Recurring	Done to date	Sean Murdock	Yes. See General Accounting payments for Local Fair Share funds for FY 2019-20. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2019-20 related to Local Fair Share disbursements.  Please reference: <a href="#">FY 2019-20 Project Q Local Fair Share Payments.</a> <a href="#">“OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,”</a> for fiscal year ending June 30, 2020 – Attachment F. Staff report dated January 25, 2021.
114.00	<b>General Requirements Related to Transit Projects</b>						
115.00	Have Metrolink extensions been evaluated against well-defined and well-known criteria detailed in the Renewed Measure M Transportation Investment Plan?	Att. A, p.23, Project S	Operations (for Project S)	Recurring	Done to date	Jennifer Bergener, Jim Beil & Joe Alcock/ Adriann Cardoso	Yes. The Board approved Project S funding guidelines for fixed guideway projects on September 13, 2010. Project S guidelines for Bus and Station Van Extension projects were approved by the Board on December 12, 2011.  Please reference the following Staff Reports: <a href="#">“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),”</a> dated September 13, 2010. <a href="#">“Project S 2012 Guidelines for Bus and Station Van Extension Projects,”</a> dated December 12, 2011.

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116.00	Has the Authority made every effort to maximize state and federal transit dollars?	Att. B, Sec. II.B.1	Planning	Recurring	Done to date	Adriann Cardoso	<p>Yes. Consistent with Board of Directors approved programming policies, OCTA has maximized state and federal transit dollars for rail capital projects, as well as rail rehab projects. To date, OCTA has programmed \$341 million in state, \$756 million in federal and \$89 million in other local funds which will be used for rail capital projects in place of M2 funds. A regular review of project funding and status occurs monthly and all programming actions are made in accordance with the Board policies to maximize state and federal funding.</p> <p>Please reference: "<a href="#">Capital Programming Update</a>," dated July 13, 2020.</p>
117.00	Prior to the allocation of Net Revenues for a Transit Project, has the Authority obtained a written agreement from the appropriate jurisdiction that the project will be constructed, operated and maintained to minimum standards acceptable to the Authority?	Att. B, Sec. II.B.2	Operations & Capital Programs (for Project V)	Recurring	Done to date	Jennifer Bergener & Joe Alcock/ Adriann Cardoso	<p>Yes. As transit projects are approved for development and/or funding by the OCTA Board to be implemented or in any way augmented by OCTA or OCTA Board-approved funding, necessary agreements are entered into with each jurisdiction to define roles and responsibilities during project phases as well as post-completion. At any given time, there are multiple agreements in place for projects. At the present time, there are active agreements in place for all funded capital projects. See example such as the Orange Transportation Center Parking Structure contract <a href="#">C-3-2065</a>. Agreements for all transit projects can be found in the M2 Document Center.</p>
118.00	<b>Requirements Related to Specific Transit Projects</b>						
119.00	Has a series of new, well-coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves, been developed?	Att. A, p. 21 - General Transit, Att. A, p. 23, Project S	Capital Programs & Operations (for Project S)	30-year	Not yet required	Jim Beil & Joe Alcock/ Adriann Cardoso	<p>Yes. The Board approved the Project S funding guidelines on September 13, 2010 and December 12, 2011 (See Item 115 notes). On November 22, 2010, the Board evaluated and awarded Project S funds to the City of Anaheim and the City of Santa Ana for preliminary engineering of fixed-guideway projects. However, on June 27, 2016, the Board approved an amendment to Agreement (C-1-3115) with City of Anaheim to conclude all planning efforts on their fixed-guideway project. The Santa Ana-Garden Grove OC Streetcar project has an executed Full Funding Grant Agreement with FTA and is in the construction phase. On July 23, 2012, four rubber-tire projects were approved for the first call for projects. Three projects were cancelled and one (City of Anaheim) was implemented and completed (as of June 30, 2020). The City of Anaheim project has continued (as of July 1, 2020) under a Project V grant. No other rubber-tire project calls are anticipated at this time.</p> <p>Please reference the following Staff Reports:  <a href="#">"Measure M2 Project S Programming Recommendations,"</a> dated November 22, 2010.</p>



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							<p><a href="#">"Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,"</a> dated June 27, 2016.</p> <p><a href="#">"Project S Bus and Station Van Extension – 2012 Call for Projects Programming Recommendations,"</a> dated July 23, 2012.</p> <p><a href="#">"Comprehensive Transportation Funding Programs Semi-Annual Review – September 2015,"</a> dated December 14, 2015.</p>
<b>120.00</b>	<b>Project R - High Frequency Metrolink Service</b>						
121.00	<b>Has Project R increased rail services within the county and provided frequent Metrolink service north of Fullerton to Los Angeles?</b>	Att. A, p. 23, Project R	Operations	30-year	Done to date	Jennifer Bergener	<p>Yes, through the completion of the MSEP capital activities, additional service has been added, providing more intra-county trains. MSEP improvements have added infrastructure to support as many as 76 trains a day, but the Comprehensive Business Plan currently shows that only 59 are sustainable based on projected revenues and operating funds, and that number has been added over the past several years. Ten intra-county trains and two Inland Empire-OC trains have been added since July 2011.</p> <p>Effective October 14, 2019, two of the existing MSEP trains serving Laguna Niguel to Fullerton were extended to serve Los Angeles. A new round trip on the 91 Line was also implemented, providing additional service between Los Angeles and Riverside via Fullerton.</p> <p>In March 2020, all Metrolink services were impacted by the statewide enforcement of stay-at-home orders that resulted from the COVID-19 pandemic. Metrolink implemented temporary service reductions in March and November 2020 due to the decline in ridership. As of December 31, 2020, the three lines serving Orange County (Orange County, Inland Empire-Orange County, and the 91/Perris Valley lines) are operating 41 trains, a 24 percent reduction from the 54 daily trains being run prior to the pandemic. Once ridership recovers following the pandemic, Metrolink and OCTA will reassess the service needs in Orange County and reinstate various trains.</p> <p>Please reference:  <a href="#">"Metrolink Service Expansion Program Update,"</a> dated November 26, 2012.  <a href="#">"Proposed Fiscal Year 2019-20 (FY20) Southern California Regional Rail Authority Budget,"</a> dated May 13, 2019.  <a href="#">"Metrolink Update – Performance Overview, COVID-19 Response, Budget Development,"</a> dated May 11, 2020.</p>

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122.00	Has Project R provided for track improvements, more trains, and other related needs to accommodate the expanded service?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil	<p>Yes, Project R has made numerous improvements to passenger rail infrastructure, with more on the way. This is an ongoing program of improvements as needed, based on available Project R and state and federal funding. Current projects include track, signal, and rail crossing improvements to enhance rail operations and safety. Projects include construction of the Laguna Niguel to San Juan Capistrano passing siding, environmental clearance work for the Orange County Metrolink Maintenance Facility Station, design for replacement of the San Juan Creek railroad bridge, various safety and security improvements, and work to finalize a south County rail corridor climate change assessment. Project development began on numerous Metrolink Southern California Optimized Rail Service (SCORE) project in Orange County which include numerous track and signal improvements to increase rail operations capacity.</p> <p>For 2020 status of Project R improvements, please reference: <a href="#">"Capital Programs Division - First Quarter Fiscal Year 2020-21 Capital Action Plan Performance Metrics Report,"</a> dated November 9, 2020.</p>
123.00	Has the service included upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means to move arriving passengers to nearby destinations?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Done to date	Jim Beil/Dinah Minter	<p>Construction has been completed on the Orange Metrolink Station parking structure (February 2019), pedestrian access improvements to the undercrossing at Laguna Niguel/Mission Viejo (LN/MV) Station (September 2017), a new second elevator at the Fullerton Station (May 2019) and lighting enhancements at San Clemente Pier (March 2017). Project development is underway on a new Metrolink station in the City of Placentia, additional passenger platforms and station track at Anaheim Canyon Station, and scoping of the Irvine Station reconfiguration (which is part of the Metrolink SCORE program).</p>
124.00	Has Project R included funding for improving grade crossings and constructing over or underpasses at high volume streets that cross Metrolink tracks?	Att. A, p. 23, Project R	Capital Programs - Rail	30-year	Awaiting Funding Availability	Jason Lee/Jim Beil	<p>Grade separation environmental documents are completed for the 17th Street grade separation project in Santa Ana, and State College Boulevard project in Anaheim. There are five other grade separations with PSR or PSR equivalents completed and awaiting funding to proceed further.</p>
125.00	<b>Project S - Transit Extensions to Metrolink</b>						
126.00	Has a competitive program been established for local jurisdictions to broaden the reach of the rail system to other activity centers and communities?	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/Aдрианн Cardoso	<p>Yes. Project S Guidelines were developed for both fixed guideway and rubber tire projects and are included in OCTA's Comprehensive Funding Program (CTFP) Guidelines which specifies the criteria for projects to be evaluated when competing for funding. The CTFP Guidelines are updated annually, with the latest revision to the Project S guidelines in August 2017.</p>

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							Please reference: <a href="#">“Measure M2 Comprehensive Transportation Funding Programs – 2018 Annual Call for Projects,”</a> dated August 14, 2017.
127.00	<p><b>Have proposals for extensions been developed and supported by local jurisdictions and evaluated against well-defined and well-known criteria as follows:</b></p> <ul style="list-style-type: none"> <li>-Traffic congestion relief?</li> <li>-Project readiness with priority to projects that can be implemented within the first five years of the Plan?</li> <li>-Local funding commitments and the availability of right of way?</li> <li>-Proven ability to attract other financial partners, both public and private?</li> <li>-Cost-effectiveness?</li> <li>-Proximity to jobs and population centers?</li> <li>-Regional as well as local benefits?</li> <li>-Ease and simplicity of connections?</li> <li>-Compatible, approved land uses?</li> <li>-Safe and modern technology?</li> <li>-A sound, long-term operating plan?</li> </ul>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes. Following the criteria identified in the Ordinance as well as the guidelines specified for Project S in the CTFP Guidelines adopted by the Board, the first round of applications for fixed guideway funding were evaluated on November 22, 2010. The same process was followed for the Rubber Tire call for projects under Project S. The Board approved the Project S Guidelines for the Bus and Station Extension Projects Linking to the Metrolink Corridor on December 12, 2011. All projects recommended to move forward and not recommended to move forward are presented to the Board as part of Call for Project Programming Recommendations Staff Reports. On June 27, 2016, the Board approved an amendment to Agreement <a href="#">C-1-3115</a> with City of Anaheim to conclude all planning efforts on their fixed-guideway project.</p> <p>Please reference the following Staff Reports:  <a href="#">“Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),”</a> dated September 13, 2010.  <a href="#">“Project S 2012 Guidelines for Bus and Station Van Extension Projects,”</a> dated December 12, 2011.  <a href="#">“Fixed-Guideway Policy Decisions Overview,”</a> dated May 12, 2014.  <a href="#">“Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,”</a> dated August 11, 2014.  <a href="#">“Memorandum of Understanding with the City of Santa Ana for the Santa Ana/Garden Grove Streetcar Project,”</a> dated July 9, 2015.  <a href="#">“Anaheim Rapid Connection and Future Transit Connectivity to OC Streetcar,”</a> dated June 27, 2016.</p>
127.01	<p><b>Has Project S, as required, not been used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor?</b></p>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, any Project S funds that have been approved by the Board have been consistent with the program guidelines and as such have only been made available for guideway projects and rubber tire projects that directly connect to an existing Metrolink station. On August 11, 2014, the Board approved the use of Project S funds for operations of fixed-guideway projects. The OC Streetcar Project funding plan (revised) was approved by the OCTA Board on July 9, 2018.</p> <p>Please reference the following Staff Reports for documentation of compliance:</p>

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							<p><a href="#">"Measure M2 Project S Programming Recommendations,"</a> dated November 22, 2010.</p> <p><a href="#">"Measure M2 Project S Cooperative Agreements with Cities of Anaheim and Santa Ana for Funding the Preliminary Engineering Phase of Proposed Fixed-Guideway Systems,"</a> dated March 14, 2011.</p> <p><a href="#">"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,"</a> dated July 23, 2012.</p> <p><a href="#">"Santa Ana/Garden Grove Fixed-Guideway Proposed Financial and Implementation Plans,"</a> dated August 11, 2014.</p> <p><a href="#">"OC Streetcar Project Revised Funding Plan,"</a> dated July 9, 2018.</p>
127.02	<b>Has the emphasis been on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor?</b>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Planning activities completed to date have been done with an emphasis on expanding access to the core rail system and establishing connections to communities and major activity centers. The OC Streetcar alignment fits this criterion. A key aspect of that evaluation includes detailed study on passengers making connections at the existing stations.
127.03	<b>Have multiple transit projects been funded with no single project being awarded all the funding under this project?</b>	Att. A, p. 23, Project S	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, there have been two fixed guideway projects and four rubber tire projects awarded funding by the Board. Currently one fixed guideway project concept is advancing through the program (OC Streetcar), and one rubber tire project (Anaheim Canyon Metrolink Station Bus Connection) is in operation.</p> <p>Please reference the following Staff Reports for documentation of compliance:  <a href="#">"Measure M2 Project S Programming Recommendations,"</a> dated November 22, 2010.  <a href="#">"Project S Bus and Station Van Extension - 2012 Call for Projects Programming Recommendations,"</a> dated July 23, 2012.</p>
128.00	<b>Have Eligible Jurisdictions, in order to be eligible to receive Net Revenues for Transit Extensions, executed written agreements between the Authority and eligible jurisdictions regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the Transit Extensions to Metrolink?</b>	Att. B, Sec. VI.A.2	Planning & Capital Programs - Rail	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	<p>Yes, upon each award of funding from the Board, a cooperative agreement has been executed with each agency to define roles, responsibilities and terms of funding.</p> <p>On March 14, 2011, and May 20, 2011, respectively, agreements were executed with the cities of Anaheim (<a href="#">C-1-2448</a>) and Santa Ana (<a href="#">C-1-2447</a>) to define roles and responsibilities related to funding the preliminary engineering phase of their respective proposed fixed-guideway projects (Anaheim Rapid Connection [ARC] and OC Streetcar).</p>

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							<p>On August 11, 2014, the Board authorized the CEO to negotiate and execute a cooperative agreement with the Cities of Santa Ana and Garden Grove to define roles and responsibilities for project development through construction of the OC Streetcar (Santa Ana/Garden Grove Fixed-Guideway Project). On August 1, 2015 and May 9, 2016, respectively, agreements were executed with the cities of Santa Ana (<a href="#">C-5-3583</a>) and Garden Grove (<a href="#">C-5-3807</a>) to define roles for the design phase of the OC Streetcar project. On March 17, 2017, an agreement was executed with the City of Santa Ana (<a href="#">C-6-1433</a>) for use of public right-of-way for the construction, operations and maintenance of the OC Streetcar Project. On April 18, 2017 and May 8, 2017, respectively, agreements were executed with the cities of Santa Ana (<a href="#">C-6-1516</a>) and Garden Grove (<a href="#">C-7-1556</a>) to define roles for the construction phase of the OC Streetcar Project. On June 1, 2017, an amended and restated agreement was executed with the City of Santa Ana (<a href="#">C-94-859</a>) for the Santa Ana Regional Transportation Center and the OC Streetcar.</p> <p>On December 14, 2016, an amendment was executed with the City of Anaheim (<a href="#">C-1-3115</a>) to conclude all planning efforts on the ARC fixed-guideway project, and to determine OCTA would serve as the lead agency for any future phases of the project.</p> <p>For the Rubber Tire Program, Cooperative Agreements were established in 2012 with City of Anaheim (<a href="#">C-2-1668</a>) and City of Lake Forest (<a href="#">C-2-1667</a>). As of 2020, all agreements have either been cancelled or completed. The Anaheim project was extended under the Project V program.</p>
129.00	<p><b>Has a countywide competitive procedure for Project S been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?</b></p>	Att. B, Sec. VI.B.3	Planning	One-time	Done to date	Joe Alcock/Adriann Cardoso	<p>On September 13, 2010, the Board approved Project S funding guidelines which were developed by staff in consultation with local jurisdictions, and on November 22, 2010, the Board evaluated and awarded Project S funds to Anaheim and Santa Ana for preliminary engineering of fixed-guideway projects.</p> <p>Please reference the following Staff Reports:  <a href="#">"Measure M2 Project S Funding Guidelines for Preliminary Engineering (Guideways Only),"</a> dated September 13, 2010.</p>

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							<a href="#">"Measure M2 Project S Programming Recommendations,"</a> dated November 22, 2010.
<b>130.00</b>	<b>Project T - Convert Metrolink Stations to Regional Gateways</b>						
131.00	Has the program provided local improvements necessary to connect planned future high speed rail systems to stations on the Orange County Metrolink route?	Att. A, p. 24, Project T	Planning & Capital Programs - Rail	30-year	Done to date	Jim Beil & Joe Alcock/ Adriann Cardoso	ARTIC, designed to accommodate future High-Speed rail service and will serve as the southern terminus for the California High Speed Rail in Orange County, opened in December 2014.  Upon completion, the OCTA Board moved the remainder of Project T funding to Project U.  Please reference: <a href="#">"Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,"</a> dated March 14, 2016.
132.00	Have eligible Jurisdictions, in order to be eligible to receive Net Revenues, executed written agreements with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the facilities?	Att. B, Sec. VI.B.2	Capital Programs - Rail	Recurring	Done to date	Jim Beil/Dinah Minter	Yes, as part of each project's development process, OCTA enters into cooperative agreements with host cities. These agreements define roles and responsibilities for the representative phase as well as ongoing maintenance of improvements.
133.00	Has a countywide competitive procedure for Project T been prepared in consultation with eligible jurisdictions and adopted by the Authority which included an evaluation process and methodology applied equally to all candidate projects?	Att. B, Sec. VI.B.3	Planning	One-time	Done	Joe Alcock/ Adriann Cardoso	Yes, a Call for Projects was issued in consultation with local jurisdictions and funds were awarded based on OCTA Board-approved criteria on January 26, 2009. Please reference: <a href="#">"Renewed Measure M Project T Funding Guidelines."</a>  These guidelines were modified on February 14, 2011. Please reference: <a href="#">"Measure M2 Project T Program Guideline Modifications."</a>  On December 14, 2015, an Ordinance Amendment was approved by the Board to closeout Project T. Please reference: <a href="#">"Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program."</a>
<b>134.00</b>	<b>Project U - Expand Mobility Choices for Seniors and Persons with Disabilities</b>						

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
135.00	Has one percent of Net Revenues been allocated to the County to augment existing senior non-emergency medical transportation services funded with Tobacco Settlement funds?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SNEMT funds for FY 2019-20. Also see the Agreed-Upon Procedures to the Measure M2 Status Report for FY 2020 related to Senior Non-Emergency Medical Transportation.  Please reference: <a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021. <a href="#">FY 2019-20 Project U SNEMT Payments.</a>
136.00	Has the County continued to fund these services in an amount equal to the same percentage of the total annual Tobacco Settlement funds received by the County?	Att. B, Sec. VI.C.3.a	F&A	Recurring	Done to Date	Sean Murdock & Joanne Jacobsen	Yes. The County is required to allocate at least 5.27% of Tobacco Settlement Revenue (TSR) funds to meet their MOE obligation under M2. The County allocation for FY 2019-20 was 5.63%. See supporting documentation from the County showing Measure H Tobacco Settlement Revenues allocated to SNEMT.  Please reference: <a href="#">"FY 2019-20 SNEMT MOE Verification,"</a> correspondence dated January 11, 2021.
137.00	Have Net Revenues been annually allocated to the County in an amount no less than the Tobacco Settlement funds annually expended by the County for these services and no greater than one percent of Net Revenues plus any accrued interest?	Att. B, Sec. VI.C.3a	F&A	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes, the M2 SNEMT funding allocation to the County for FY 2019-20 of \$3,218,500.54 exceeded TSR funding of \$1,665,887. Therefore, the M2 funding is no less than the TSR funding, and no more than 1% of net revenue as required under the Ordinance.  Please reference: <a href="#">"FY 2019-20 SNEMT MOE Verification,"</a> correspondence dated January 11, 2021. <a href="#">FY 2019-20 M2 Project U SNEMT Payments.</a>
138.00	Has one percent of Net Revenues been allocated to continue and expand the Senior Mobility Program provided by the Authority in 2006 with allocations determined pursuant to criteria and requirements as adopted by the Authority?	Att. B, Sec. VI.C.3.b	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	Yes. See General Accounting payments for SMP funds for FY 2019-20. Also see the Agreed-Upon Procedures applied to the FY 2020 Measure M2 Status Report.  Please reference: <a href="#">"OCLTA Report on Agreed-Upon Procedures Applied to Measure M2 Status Report,"</a> for year ending June 30, 2020 – Attachment F. Staff Report dated January 25, 2021. <a href="#">FY 2019-20 Project U SMP Payments.</a>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>On May 13, 2019, the Board found two cities ineligible to receive M2 revenues. Both the City of Stanton and the City of Santa Ana failed to satisfy the eligibility requirement of meeting the minimum MOE, a level of local streets and roads discretionary expenditures. As a result, net M2 payments for the two cities were suspended until the cities re-established eligibility by demonstrating compliance through an audit of M2-related expenditures for FY 2018-19.</p> <p>Please reference:  <a href="#">"Measure M2 Eligibility for the City of Stanton,"</a> and <a href="#">"Measure M2 Eligibility for the City of Santa Ana,"</a> dated May 13, 2019.</p> <p>A second audit was completed in early 2020 by the OCTA Internal Auditor and determined that both cities met their FY 2018-19 MOE requirement which includes additional MOE expenditures to make up for the shortfall identified in OCTA's original FY 2-17-18 audit. On April 13, 2020, the Board reinstated the cities of Stanton and Santa Ana's eligibility to receive net M2 funds. All funds previously withheld were distributed to the cities.</p> <p>Please reference:  <a href="#">"Measure M2 Eligibility for the City of Stanton,"</a> and <a href="#">"Measure M2 Eligibility for the City of Santa Ana,"</a> dated April 13, 2020.</p>
139.00	Has one and forty-seven hundreds percent (Ordinance amendment on 12/14/15 to increase allocation from 1% to 1.47%) of Net Revenues been allocated to partially fund bus and ACCESS fares for seniors and persons with disabilities in an amount equal to the percentage of funding as of the effective date of the Ordinance and to partially fund train and other transit fares for seniors and persons with disabilities as determined by the Authority?	Att. B, Sec. VI.C.3.c	F&A, Transit	Recurring	Done to date	Sean Murdock & Joanne Jacobsen	<p>Yes. See General Accounting Fare Stabilization Revenue Allocation chart. In addition to the 1%, the Board approved an amendment to the M2 Ordinance No. 3 on December 14, 2015 (updated on March 14, 2016), which increased the Fare Stabilization allocation from 1% to 1.47% of Net Revenues.</p> <p>Please reference:  <a href="#">"Measure M2 Fare Stabilization Update,"</a> Staff Report dated June 23, 2014.  <a href="#">"Measure M2 Fare Stabilization Update,"</a> Staff Report dated September 28, 2015.  <a href="#">"Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan Amendment Update,"</a> Staff Report dated March 14, 2016.  <a href="#">FY 2019-20 M2 Fare Stabilization Payments.</a></p>
140.00	Project V - Community Based Transit/Circulators						



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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
141.00	Have all such projects [within Project V], in order to be considered for funding, met performance criteria for ridership, connection to bus and rail services, and financial viability?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the Project V Guidelines adopted by the OCTA Board on October 14, 2019, performance criteria for ridership, connections to bus and rail services and financial viability were specifically required to be defined as part of the application process prior to competing and receiving funding.  Please reference: <a href="#">"2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects,"</a> Staff Report dated October 14, 2019.
142.00	Have all such projects been competitively bid?	Att. A, p. 25, Project V	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Per the 2013, 2015, 2018, and 2020 Project V Guidelines adopted by the OCTA Board on November 26, 2012, November 23, 2015, February 12, 2018, and October 14, 2019, projects are required to follow competitive procedures including procurement. Local Agencies followed the procedures where applicable to their projects and nature of procurement.  Please reference: <a href="#">"2020 Project V Community-Based Transit Circulators Program Guidelines and Call for Projects,"</a> Staff Report dated October 14, 2019.
143.00	As a condition of being funded, have such projects been determined not to duplicate or compete with existing transit services?	Att. A, p. 25, Project V	Planning, Transit	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, OCTA staff evaluated all project applications before preparing final recommendations for the Board to ensure that proposed services will continue funding existing successful services, new special event services, expand new share-ride hailing options, and allow for future planning. OCTA Board approved project allocations on April 13, 2020. OCTA staff will continue to monitor the projects to ensure that services funded with Project V do not duplicate existing transit services.  Please reference: <a href="#">"2020 Measure M2 Community-Based Transit Circulators (Project V) Call for Projects Programming Recommendations,"</a> dated April 13, 2020.
144.00	For any of its projects to be eligible for funding, has the Eligible Jurisdiction executed a written agreement with the Authority regarding the respective roles and responsibilities pertaining to construction, ownership, operation and maintenance of the project?	Att. B, Sec. VI.D.2	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. OCTA executed Cooperative Funding Agreements with each local agency and identified roles and responsibilities pertaining to operation, construction, maintenance and uses of the facilities and vehicles. All M2 funding agreements and Letter agreements are available in the M2 Document Center. A list of the corresponding contract numbers can be found here in the Document Center.  Please reference: <a href="#">"Project V Cooperative Agreements,"</a> dated March 21, 2019.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							For projects awarded Project V funds during the 2020 Call for Projects, Cooperative Agreements are currently under development and will be implemented shortly.
145.00	Have any allocations of Net Revenues to such projects been determined pursuant to a countywide competitive procedure adopted by the Authority?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes, OCTA Board approved updated Project V Guidelines on October 14, 2019 and also issued a call for projects on that date.  Please reference: <a href="#">"2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,"</a> Staff Report dated October 14, 2019.
146.00	Does the competitive procedure include an evaluation process and methodology applied equally to all candidate Community Based Transit/Circulator projects?	Att. B, Sec. VI.D.3	Planning	Recurring	Done to date	Joe Alcock/ Adriann Cardoso	Yes. See 2020 Project V Guidelines adopted by the OCTA Board on October 14, 2019.  Please reference: <a href="#">"2020 Project V Community-Based Transit/Circulators Program Guidelines and Call for Projects,"</a> Staff Report dated October 14, 2019.
147.00	Have Eligible Jurisdictions been consulted by the Authority in the development of the evaluation process and methodology?	Att. B, Sec. VI.D.3	Planning	One-time	Done to date	Joe Alcock/ Adriann Cardoso	Yes. Typically, OCTA has requested letters of interest prior to Project V calls for projects and holds workshops with interested parties to discuss potential changes to the guidelines prior to taking those guidelines to the Board. In the most recent cycle, two workshops were conducted in the Fall of 2019 (September 16, 2019 and November 5, 2019). The first workshop was to further gauge county-wide level of interest in applying for a 2020 call, in addition to letters of interest received, and to gather feedback on potential CTFP Guidelines revisions. The second workshop was focused on providing guidance to local agencies to help them understand CTFP Guidelines revisions and provide feedback regarding application development, evaluation process and methodology.
148.00	Project W - Safe Transit Stops						
149.00	Have amenities been provided at the 100 busiest transit stops across the County? Were they designed to ease transfer between bus lines and provide amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines?	Att. A, p. 25, Project W	Planning	30-year	Done to date	Joe Alcock/ Adriann Cardoso	The OCTA Board approved Project W CTFP Guidelines revisions and also approved the issuance of 2019 Project W call for projects, in order to allocate funds for the Top 100 Busiest Stops in Orange County. Please reference: <a href="#">"2019 Project W Safe Stops Call for Projects,"</a> dated October 22, 2018.  On June 24, 2019, OCTA Board approved Project W funds for 36 stops. Please reference: <a href="#">"Measure M2 Project W Safe Transit Stops – 2019 Programming Recommendations,"</a> dated June 24, 2019.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>Project W funding is eligible for projects that install new transit shelters at locations where there are no shelters at present, and replace aging shelters, shade, and amenities that have become run down over time. The Board directed staff to issue another Project W call in 2020 to again consider the needs at the 100 busiest bus stops in order to ensure that all eligible entities have another opportunity to apply for funding and improve bus stops. On September 10, 2020 the Board approved a fourth allocation of Project W funds. Please reference: <a href="#">“Measure M2 Project W Safe Transit Stops – 2020 Programming Recommendations,”</a> dated September 14, 2020.</p> <p>Please reference the following Staff Reports:  <a href="#">“Measure M2 Project W Safe Transit Stops,”</a> dated March 10, 2014.  <a href="#">“Measure M2 Project W Safe Transit Stops – 2014 Programming Recommendations,”</a> dated July 14, 2014.  <a href="#">“Comprehensive Transportation Funding Programs Semi-Annual Review – March 2016,”</a> dated June 13, 2016.</p>
<b>150.00</b>	<b>Requirements Related to Project X</b>						
151.00	<p><b>Have Environmental Cleanup funds been used on a countywide, competitive basis to meet federal Clean Water Act standards for controlling transportation-generated pollution as called for in Attachment A?</b></p>	<p>Att. A, p. 27, Project X</p>	<p>Planning</p>	<p>30-year</p>	<p>Done to date</p>	<p>Dan Phu</p>	<p>Yes, the OCTA Board has authorized several countywide competitive calls for projects for both a Tier 1 and Tier 2 environmental cleanup program providing funding to improve water quality. To date, ten rounds of funding under the Tier 1 grants program have been awarded by the Board. A total of 189 projects in the amount of over \$27 million have been awarded since 2011. There have been two rounds of funding under the Tier 2 grants program. A total of 22 projects in the amount of \$27.89 million have been awarded by the OCTA Board since 2013. To date, all Orange County cities plus the County of Orange have received funding under this program. The next Tier 1 Call for Projects is anticipated in spring 2021. Timing of the next Tier 2 call for projects is dependent on projected cash flow and local jurisdictions’ interest in potential viable Tier 2 projects.</p> <p>For the most recent Tier 1 and Tier 2 guidelines, please reference:  <a href="#">“Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,”</a> dated March 9, 2020.  <a href="#">“Measure M2 Environmental Cleanup Allocation Program – Funding Program Guidelines Revisions and Tier 2 Grant Program Call for Projects,”</a> dated June 10, 2013.</p>

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
152.00	Does the program augment, not replace existing transportation related water quality expenditures and emphasize high impact capital improvements over local operations and maintenance costs?	Att. A, p. 27, Project X	Planning	30-year	Done to date	Dan Phu	Yes. Requirement is specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process.  Please reference: " <a href="#">Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects</a> ," dated March 9, 2020, see attached Guidelines Chapter 11.
153.00	Has a comprehensive countywide capital improvement program for transportation related water quality improvements been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes, the OCTA Board approved a two-tiered funding program for water quality improvement projects. These guidelines are incorporated into Chapter 11 of the Comprehensive Transportation Funding Programs guidelines. To date, ten rounds of funding under the Tier 1 program and two rounds under the Tier 2 have been allocated for these purposes.  Please reference: See Item 151.00 for Tier 1 and Tier 2 Guideline Revisions and Call for Projects Staff Reports. " <a href="#">Measure M2 Environmental Cleanup Program – A Two-Tier Grant Funding Approach</a> ," dated May 24, 2010. " <a href="#">Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects</a> ," dated March 9, 2020, see attached Guidelines Chapter 11.
154.00	Has a competitive grant process to award funds to the highest priority, most cost-effective projects been developed?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier 1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process.  Please reference: " <a href="#">Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects</a> ," dated March 9, 2020, see attached Guidelines Chapter 11.
155.00	Has a matching requirement to leverage federal, state and local funds for water quality improvement been established?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes. The Tier 1 and Tier 2 project evaluation criteria were adopted by the OCTA Board and integrated as Chapter 11 of the Comprehensive Transportation Funding Guidelines. Project X Tier 1 and Tier 2 Guidelines were moved to Chapter 11 in 2018. As a note, Chapter 11 of the CTFP guidelines gets periodic updates to improve on the process.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: <a href="#">“Measure M2 Comprehensive Transportation Funding Programs – 2020 Annual Call for Projects,”</a> dated August 12, 2019, see attached Guidelines Chapter 11.
156.00	Has a maintenance of effort requirement been established to ensure that funds augment, not replace existing water quality programs?	Att. A, p. 27, Project X	Planning	One-time, start-up	Done	Dan Phu	Yes, these are specified in Chapter 11 of the Comprehensive Transportation Funding Guidelines. Also, this becomes part of the evaluation process for candidate projects.  Please reference: <a href="#">“Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,”</a> dated March 9, 2020, see attached Guidelines Chapter 11.
157.00	Has there been annual reporting on actual expenditures and assessment of water quality benefits provided?	Att. A, p. 27, Project X	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Reports have occurred through the Semi-Annual Review Process, which ended in September 2016.  Please reference: <a href="#">“Comprehensive Transportation Funding Programs Semi-Annual Review - September 2019,”</a> dated December 9, 2019.
158.00	If there has been any misuse of these funds, have penalties been imposed?	Att. A, p. 27, Project X	Planning	Recurring	Done to date	Dan Phu	Not applicable because there has been no finding of misuse of funds to-date. Assessment of appropriate use occurs through the initial and final payment processes and Semi-Annual Review process.
159.00	Has an Environmental Cleanup Allocation Committee (ECAC), including the following 12 voting members, but not including any elected public officer, been established: <ul style="list-style-type: none"> <li>- One representative of the County of Orange?</li> <li>- Five representatives of cities (one per supervisorial district)?</li> <li>- One representative of the Caltrans?</li> <li>- Two representatives of water or wastewater public entities?</li> <li>- One representative of the development industry?</li> <li>- One representative of private or non-profit organizations involved in water quality protection/enforcement matters?</li> </ul>	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done to date	Dan Phu & Marissa Espino	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008 as Attachment B to the Staff Report. ECAC members are recruited following the requirements upon any vacancies. Member rosters for each year are saved in the M2 Document Center.  Please reference: <a href="#">“Status Report on Renewed Measure M Environmental Programs,”</a> dated August 25, 2008. <a href="#">“ECAC Roster 2020”</a>
160.00	Does the ECAC also include one representative of the Santa Ana Regional Water Quality Control Board and one representative of the San Diego Regional Water Quality Control Board as non-voting members?	Att. B, Sec. VII.B.1.i-vii	Planning, External Affairs	Recurring	Done	Dan Phu	Yes. Creation of ECAC occurred in 2008. The initial roster was presented to the Board on August 25, 2008 as Attachment B to the Staff Report. Member rosters for each year are saved in the M2 Document Center.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							Please reference: <a href="#">"Measure M2 Environmental Cleanup Program Updates and Next Steps,"</a> dated December 11, 2017. <a href="#">"ECAC Roster 2020"</a>
161.00	Has the Environmental Cleanup Allocation Committee recommended to the Authority for the Authority's adoption the following:	Att. B, Sec. VII.B.2.	Planning	One-time, start-up	Done	Dan Phu	See items 161.01 - 161.04
161.01	A competitive grant process for the allocation of Environmental Cleanup Revenues as set forth in Attachment B.	Att. B, Sec. VII.B.2.a	Planning	One-time, start-up	Done	Dan Phu	Yes, the Environmental Cleanup Allocation Committee (ECAC) created guidelines that were approved by the Board on February 14, 2011. This is also included in Chapter 11 of the CTFP.  Please reference: <a href="#">"Measure M2 Environmental Cleanup Allocation Program - Incorporation into the Comprehensive Transportation Funding Program and Tier 1 Grant Program 2011 Call for Projects,"</a> dated February 14, 2011. <a href="#">"Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,"</a> dated March 9, 2020, see attached Guidelines Chapter 11.
161.02	A process requiring that allocated Environmental Cleanup Revenues supplement and not supplant other applicable funding sources.	Att. B, Sec. VII.B.2.b	Planning	One-time, start-up	Done	Dan Phu	Yes, the ECAC ensures that as part of the application process that projects meet the criteria specified in the Ordinance. This is part of the guidelines which are included in Chapter 11 of the CTFP.  Please reference: <a href="#">"Measure M2 Environmental Cleanup Program - Project X Tier 1 Grant Program Call for Projects,"</a> dated March 9, 2020, see attached Guidelines Chapter 11.
161.03	Allocation of Environmental Cleanup Revenues for proposed projects and programs.	Att. B, Sec. VII.B.2.c	Planning	Recurring	Done to date	Dan Phu	Yes, the ECAC reviews applications and makes recommendations on funding allocation, which is then approved by the Board.  Please reference: <a href="#">"ECAC Agenda,"</a> dated September 10, 2020. <a href="#">"2020 Project X - Environmental Cleanup Program Tier 1 Call for Projects - Programming Recommendations,"</a> Staff Report dated October 12, 2020. <a href="#">"ECAC September 10, 2020 Minutes,"</a> from meeting dated January 14, 2021.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
161.04	An annual reporting procedure and method to assess water quality benefits provided by the projects and programs.	Att. B, Sec. VII.B.2.d	Planning, External Affairs	Recurring	Done to date	Dan Phu	Yes, the ECAC has developed a database to estimate the trash removed by the funded Tier 1 and Tier 2 projects to report on benefits of the program. This is an ongoing process. Updates have been provided to the ECAC and then to the Board on December 11, 2017.  Please reference: <a href="#">"ECAC Agenda,"</a> dated December 11, 2014. <a href="#">"OCTA Measure M2 Tier 1 and Tier 2 – Potential Water Resources Benefits of Funded Projects Memo from Geosyntec Consultants,"</a> dated April 22, 2015. <a href="#">"Measure M2 Environmental Cleanup Program Updates and Next Steps,"</a> dated December 11, 2017.
162.00	<b>Safeguards and Audits</b>						
163.00	The requirements listed in Attachment A page 28-29 are covered in other areas of the matrix as they relate to quarterly and annual reporting.	Att. A, p.28-29					
164.00	<b>Requirements Related to the Taxpayers Oversight Committee (TOC)</b>						
165.00	Was a Taxpayers Oversight Committee established for the purpose of overseeing compliance with the Ordinance as specified in Attachment B, Section IV and organized and convened before any Revenues were collected or spent pursuant to the Ordinance?	Att. C, Sec. I	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 Citizens Oversight Committee to accommodate additional responsibilities under M2 in August 2007.  Please reference: <a href="#">"TOC Agenda Packet,"</a> dated August 28, 2007.
166.00	Has the TOC been governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies) consistent with Attachment C of the Ordinance been followed?	Att. C, Secs. II, and III	External Affairs	Recurring	Done to date	Alice Rogan	Yes, the TOC is governed by its 11 members and the provisions relating to membership (including initial and ongoing appointment, geographic balance, terms, resignation, removal, reappointment, and vacancies), consistent with Attachment C of the Ordinance.  Please reference: <a href="#">"TOC Member Terms Roster History (1997-2020),"</a> dated November 6, 2020.
167.00	Has the Committee carried out the following duties and responsibilities?	Att. C, Sec. IV	External Affairs	Recurring		Alice Rogan	See Items 167.01-167.11 below.

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Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
167.01	Did the initial Members of the TOC adopt procedural rules and regulations as are necessary to govern the conduct of Committee meetings as described in Attachment C?	Att. C, Sec. IV.A	External Affairs	One-time, start-up	Done	Alice Rogan	Yes. The TOC updated the former procedures from the M1 Citizens Oversight Committee to accommodate additional responsibilities under M2 in August 2007. Please reference: " <a href="#">TOC Agenda Packet</a> ," dated August 28, 2007.  On June 14, 2016, the TOC updated the committee's Mission Statement and Policies and Procedures to remove responsibilities due to the close-out of M1. Please reference TOC Meeting Minutes in " <a href="#">TOC Agenda Packet</a> ," dated August 9, 2016.
167.02	Did the Committee approve by a vote of not less than 2/3 of all Committee members, any amendments to the Plan which changed the funding category, programs or projects identified on page 31 of the Plan?	Att. C, Sec. IV.B	External Affairs	Recurring	Done to date	Alice Rogan	Yes. The TOC approved the first amendment to the M2 Transportation Investment Plan on October 9, 2012 and the third amendment on November 10, 2015 (Ordinance amendments do not require TOC approval).  Please reference the following Staff Reports: " <a href="#">Public Hearing to Amend the Measure M2 Transportation Investment Plan for the Freeway Program</a> ," dated November 9, 2012 for Amendment #1. " <a href="#">Public Hearing to Amend the Renewed Measure M Local Transportation Authority Ordinance No. 3 and Transportation Investment Plan for the Transit Program</a> ," dated December 14, 2015 for Amendment #3.
167.03	Did the TOC receive and review, as a condition of eligibility for M2 funds, from each jurisdiction the following documents as defined in Att. B, Sec. I?	Att. C, Sec. IV.C and	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	The Annual Eligibility Review Subcommittee reviewed applicable eligibility requirements on September 23, 2020, and the full TOC approved them on October 13, 2020. Also see Items 167.04-167.08 below.  Please reference: " <a href="#">TOC Agenda Packet</a> ," dated October 13, 2020.
167.04	Congestion Management Program?	Att. C, Sec. IV.C.1 and Att. B, Sec. III.A.1	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	This is required on odd numbered years. The TOC reviewed the Congestion Management Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021.  Please reference: " <a href="#">Fiscal Year 2019-20 Measure M2 Annual Eligibility Review</a> ," dated December 9, 2019. " <a href="#">TOC Agenda Packet</a> ," dated October 8, 2019.



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167.05	Mitigation Fee Program?	Att. C, Sec. IV.C.2 and Att. B, Sec. III.A.2	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock	This is required on a biennial basis. The TOC reviewed the Mitigation Fee Program on October 8, 2019. Eligibility determination was presented to the Board on December 9, 2019 as part of the Fiscal Year 2019-20 Measure M2 Annual Eligibility Review. The next submittal is due in 2021.  Please reference: <a href="#">"Fiscal Year 2019-20 Measure M2 Annual Eligibility Review,"</a> dated December 9, 2019. <a href="#">"TOC Agenda Packet,"</a> dated October 8, 2019.
167.06	Expenditure Report?	Att. C, Sec. IV.C.3 and Att. B, Sec. III.8	Finance and Administration, External Affairs	Recurring	Done to date	Alice Rogan & Sean Murdock	Yes. The TOC reviewed the FY 2018-19 Expenditure Reports on August 11, 2020 for all 35 local agencies. Eligibility determination was presented to the Board upon final submittal of expenditure reports by local jurisdictions. At the October 13, 2020 TOC meeting, all local agencies were found conditionally eligible to receive net Measure M2 revenues for FY 2020-21 and will be presented to the Board in December 2020.  Please reference: <a href="#">"TOC Agenda Packet,"</a> dated August 11, 2020. <a href="#">"TOC Agenda Packet,"</a> dated October 13, 2020. <a href="#">"Measure M2 Annual Eligibility Review,"</a> Staff Report dated December 14, 2020.
167.07	Local Traffic Synchronization Plan?	Att. C, Sec. IV.C.4 and Att. B, Sec. III.A.6	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock/ Adriann Cardoso	This is required every three years. The last Local Signal Synchronization Plan review was received and reviewed by the TOC on October 13, 2020, and was presented to the Board on December 14, 20120, as part of the Annual Measure M2 Eligibility Review. The next submittal is due in 2020.  Please reference: <a href="#">"Measure M2 Annual Eligibility Review,"</a> Staff Report dated December 14, 2020. <a href="#">"TOC Agenda Packet,"</a> dated October 13, 2020.
167.08	Pavement Management Plan?	Att. C, Sec. IV.C.5 and Att. B, Sec. III.7	Planning, External Affairs	Recurring	Done to date	Alice Rogan & Joe Alcock/ Adriann Cardoso	Yes. 14 agencies update PMPs on odd-year cycle, while 21 agencies update on even-year cycle as part of the Annual Eligibility Review. The TOC reviewed the Pavement Management Plans for even-year agencies on October 13, 2020 and an eligibility determination was presented to the Board on December 14,2020 as part of the Fiscal Year 2020-21 Measure M2 Annual Eligibility Review. The

**ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY**

Ordinance Tracking Matrix - Ordinance No. 3

For Period Ending December 31, 2020

Item	Description	Citation	Division Responsible	Timeframe	Status	Responsible Person (POC)	2020 Response
							<p>TOC reviewed the Pavement Management Plans for odd-year agencies on October 8, 2019 and an Eligibility determination was presented to the Board on December 9, 2019 as part of the <a href="#">Fiscal Year 2019-20 Measure M2 Annual Eligibility Review</a>.</p> <p>Please reference the following Staff Reports:  <a href="#">"Measure M2 Annual Eligibility Review,"</a> dated December 14, 2020 (for even year PMPs).  <a href="#">"Fiscal Year 2019-20 Measure M2 Annual Eligibility Review,"</a> dated December 9, 2019 (for odd year PMPs).  <a href="#">"TOC Agenda Packet,"</a> dated October 13, 2020 (for even-year PMPs).  <a href="#">"TOC Agenda Packet,"</a> dated October 8, 2019 (for odd-year PMPs).</p>
167.09	Has the Committee reviewed yearly audits and held an annual hearing to determine whether the Authority is proceeding in accordance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The last Annual Hearing and Compliance Review was completed on June 9, 2020. Please reference: <a href="#">"Taxpayer Oversight Committee Measure M2 Annual Public Hearing Results and Compliance Findings,"</a> Staff Report dated June 22, 2020.</p>
167.10	Has the Chair annually certified whether the Revenues have been spent in compliance with the Plan?	Att. C, Sec. IV.D	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The last Annual Hearing and Compliance Review was completed on June 9, 2020. A memo from the TOC Chairman was presented to the Board on June 22, 2020.</p> <p>Please reference: <a href="#">"Taxpayer Oversight Committee Measure M Annual Public Hearing Results and Compliance Findings,"</a> dated June 22, 2020.</p>
167.11	Has the Committee received and reviewed the performance assessment conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance?	Att. C, Sec. IV.E	External Affairs	Recurring	Done to date	Alice Rogan	<p>Yes. The TOC has received and reviewed the performance assessments conducted by the Authority at least once every three years to review the performance of the Authority in carrying out the purposes of the Ordinance. Assessments have been reviewed by the TOC on December 14, 2010, April 9, 2013, June 14, 2016, and April 9, 2019.</p> <p>Please reference:  <a href="#">"TOC Agenda Packet,"</a> dated December 14, 2010.  <a href="#">"TOC Agenda Packet,"</a> dated April 9, 2013.  <a href="#">"TOC Agenda Packet,"</a> dated June 14, 2016.  <a href="#">"TOC Agenda Packet,"</a> dated April 9, 2019.</p>