



Measure M
Taxpayers Oversight Committee
at the Orange County Transportation Authority
600 S. Main Street, Orange CA, Room 154
February 11, 2014
6:00 p.m.



AGENDA

- 1. Welcome**
- 2. Pledge of Allegiance**
- 3. ANNUAL MEASURE M PUBLIC HEARING**
 - a. Overview of Taxpayers Oversight Committee**
 - b. Review of the 2013 Taxpayers Oversight Committee Actions**
 - c. Local Eligibility Subcommittee Report**
 - d. Audit Subcommittee Report**
 - e. Public Comments***
 - f. Adjournment of Public Hearing**
- 4. Approval of Minutes/Attendance Report for December 10, 2013**
- 5. Action Items**
 - A. Measure M1 Revenue & Expenditure Quarterly Report (Dec 13)
Presentation – Andy Oftelie, Executive Director Finance; Receive and File
 - B. Measure M2 Revenue & Expenditure Quarterly Report (Dec 13)
Presentation – Andy Oftelie, Executive Director Finance; Receive and File
 - C. 2014 Annual Hearing Follow-up and Compliance Findings
Discussion – Jan Grimes, Taxpayers Oversight Committee Co-Chair
 - D. Local Jurisdictions Expenditure Reports – Eligibility Findings
Presentation – Jack Wu Annual Eligibility Review Subcommittee Chair
- 6. Presentation Items**
 - A. Organizational Assessment
Presentation – Tamara Warren, Manager, M Program Office

*Public Comments: At this time, members of the public may address the Taxpayers 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 five (5) minutes per person and 20 minutes for all comments, 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.

B. Environmental Mitigation Program

Presentation – Dan Phu, Manager, Environmental Programs
Melanie Schlotterbeck, M2 Environmental Oversight Committee Vice Chairman,
M2 Environmental Coalition Representative

C. Highway Program Update

Presentation – Rose Casey, Director, Highway Programs

7. OCTA Staff Updates (5 minutes each)

- Timely Use of Funds – Andrew Oftelie, Executive Director of Finance & Administration

8. Committee Member Reports

9. Public Comments*

10. Adjournment

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Measure M Taxpayers Oversight Committee



INFORMATION ITEMS

- 1. Comprehensive Transportation Funding Programs
Semi-Annual Review – September 2013** **Dec. 9, 2013**
- 2. Fiscal Year 2013-14 Measure M2 Annual Eligibility
Review**
- 3. Fourth Quarter 2013 Debt and Investment Report** **Jan. 27, 2014**
- 4. Orange County Local Transportation Authority
Measure M2 Agreed-Upon Procedures Reports,
Year Ended June 30, 2013**
- 5. Measure M2 Performance Assessment Report
Update**

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**Measure M2
Taxpayers Oversight Committee**

**December 10, 2013
Meeting Minutes**

Committee Members Present:

Jan Grimes, Orange County Acting Deputy Auditor-Controller, Co-Chairman
Narinder "Nindy" Mahal, First District Representative
Howard Mirowitz, Second District Representative, Co-Chairman
Terre Duensing, Third District Representative
Philip C. La Puma, PE, Fourth District Representative
Cynthia Hall, Fourth District Representative
Terry Fleskes, Fifth District Representative
Nilima Gupta, Fifth District Representative

Committee Member(s) Absent:

Anh-Tuan Le, First District Representative
Jack Wu, Second District Representative
Randy Holbrook, Third District Representative

Orange County Transportation Authority Staff Present:

Jim Beil, Executive Director, Capital Programs
Rose Casey, Director of Highway Programs
Marissa Espino, Strategic Communications Officer
Janice Kadlec, Public Reporter Specialist
Kia Mortazavi, Executive Director, Planning
Andy Oftelie, Executive Director, Finance and Administration
Ken Phipps, Deputy Executive Director
Alice Rogan, Strategic Communications Manager, External Affairs
Tamara Warren, Program Manager, M Program Management Office

1. Welcome

Chair Jan Grimes welcomed everyone to the Taxpayers Oversight Committee (TOC) meeting and began the meeting 6:00 p.m.

2. Pledge of Allegiance

Chair Jan Grimes asked everyone to join her in the Pledge of Allegiance to the Flag.

3. Approval of Minutes/Attendance Report for October 8, 2013

Chair Jan Grimes asked if there were any additions or corrections to the October 8, 2013 Minutes and Attendance Report.

Nilima Gupta asked for the following correction on page four, paragraph six, first sentence: *“Nilima Gupta said if this happens and a lawsuit goes forward, what happens to the January 31, 2013 2014 deadline.”*

A motion was made by Nilima Gupta, seconded by Terre Duensing, and carried unanimously to approve the October 8, 2013 TOC minutes and attendance report as corrected.

4. Chairman’s Report

There was no Chairman’s Report.

5. Action Item(s)

A. M1/M2 Quarterly Review & Expenditure Reports (June 13)

Andy Oftelie gave a brief overview of the M1/M2 Quarterly Review & Expenditure Report for the period ending June 2013. He noted the June report has not been through the Audit Subcommittee because they have not met so he reported on just a few highlighted things.

B. M1/M2 Quarterly Review & Expenditure Reports (September 13)

Andy Oftelie gave a brief overview of the M1/M2 Quarterly Review & Expenditure Report for the period ending September 2013. He noted the September report has not been through the Audit Subcommittee because they have not met so he reported on just a few highlighted things.

Nindy Mahal asked if the Anaheim Regional Transportation Intermodal Center (ARTIC) had been reduced in any way since conception. Jim Biel said they did reduce the square footage of ARTIC since the original concept. Nindy Mahal asked if ARTIC was still going to be a transportation hub for the area. Jim Biel said yes, only the square footage of the station has been reduced. High-speed rail is still expected to run through ARTIC.

Howard Mirowitz said he read there was a major change order to the ARTIC construction caused by federal regulation regarding the boarding area. It has to be less high off the tracks than was originally specified. How can something like this not be found out until construction? Jim Biel said this is a change order the City of Anaheim is implementing and it is called the “level boarding issue.” There is a conflict between federal law and the clearances for freight as is cuts through the station and the federal law and the clearances for passenger rail. Other stations within Southern California have run into this and they have gotten variances to allow for what was originally designed and this is how the City of Anaheim is proceeding. The Federal Rail Authority has basically said they will not allow a waiver from Federal Law so the City of Anaheim is working with the California Public Utilities Commission (CPUC) to get a variance for the State requirements on the passenger rail clearance. They fully expect the CPUC to

approve a variance within the next few months and the City of Anaheim is proceeding with the changeover modifications.

Howard Mirowitz asked a question on the M2 September 13 report under column "O." Where does the \$4,072,000 in reimbursements come from? Andy Oftelie said this reimbursement comes from OCUTT. This is the amount OCTA needs to pay back to OCUTT by the year 2041.

Terry Fleskes asked for clarification – what OCTA is coming up with to reduce administrative costs in the future has to be efficiencies. It is not a timing thing because the projected revenues are substantially different. Andy Oftelie said the reason is - OCTA started accruing administrative costs five years prior to actual M2 sales tax collection in order to jumpstart projects. They did not start collecting the revenue until April 2011, so OCTA had five years of administrative costs that they accrued with no revenue to pay for it. This resulted in, per OCTA Board action, borrowing the money from OCUTT.

Terry Fleskes asked at the end of M1, what is the projected amount of M1 funds that will carry over into M2. Andy Oftelie said for Transit they expect approximately \$80 million and this money is scheduled (with Board approval) to go to the Commuter Urban Rail Endowment (CURE) fund to pay for Metrolink services.

Terry Fleskes asked if the Ordinance under M1 would allow the use of money carried over to M2 projects. Andy Oftelie said as long as the expenditure description is the same. Andy Oftelie said they also expect approximately \$2 million carried over for Streets and Roads which will be added to a M2 call for projects and approximately \$14 million for Freeways will be added to a M2 eligible project which project description will be consistent with a M1 project. He said the current plan is to close out M1 by June 2014. The last expenditure in the transit mode will be an internal cash transfer from M1 to the CURE fund in a separate fund set aside to pay for Metrolink operations which is what it was designated for in M1.

A motion was made by Howard Mirowitz, seconded by Phillip La Puma, and passed unanimously to receive and file the M1/M2 Quarterly Review & Expenditure Report (June 2013) and the M1/M2 Quarterly Review & Expenditure Report (September 2013).

6. Presentation Items

A. Project K Update

Rose Casey gave an update on the M2 I-405 project, Project K, the largest single project investment in the M2 program. OCTA approved the project on December 9, 2013. This approval recommends Caltrans move forward with Alternative 1

which would add one general purpose lane in each direction. Construction should begin in August of 2015 and the construction duration will be from 2015 to 2020.

Nindy Mahal asked if it was true the general purpose lanes will cost \$1.7 billion, but adding another general purpose lane at the same time would not cost as much. Rose Casey said the one general purpose lane in each direction would cost \$1.3 billion and as a result of comments received about braided ramps in Fountain Valley, deleting those ramps would bring the cost down to \$1.25 billion. Adding a second general purpose lane in each direction would cost approximately \$100 million more bringing the total to \$1.35 billion and the express lane option would be \$1.65 billion. The Board received information in September and November that the express lanes could potentially fully finance themselves. Basically there was not a consensus to move forward with this alternative, but there was a consensus to move forward with the M2 Project K alternative, adding one general purpose lane in each direction, so the OCTA Board decided to move forward with Alternative 1.

Nindy Mahal asked why not go ahead and build two additional lanes in each direction; it is only \$100 million and the bridges along the corridor are being widened to accommodate two additional lanes. Rose Casey said M2 Project K has a specific scope the voters approved and since revenues were lost at the beginning of the M2 because of the economy, to take on another \$100 million commitment at this time would not be wise.

Philip La Puma asked if M2 would allow high-occupancy vehicle (HOV) lanes. Rose Casey said yes, there are M2 projects that specifically identify additional carpool lanes and she listed these projects for him. Ken Phipps said Project K has no HOV lanes. Phillip La Puma said he just wanted to know where other M2 HOV projects were located.

Philip La Puma said James Pinheiro's presentation about HOV lane degradation at the last TOC meeting was alarming. To him, James Pinheiro identified an obligation which could impact M2. He would like to know how big an impact this could be. If OCTA cannot meet the Federal Highways Administration's (FHWA) requirements on degradation they are going to withhold funds – how will this impact what the TOC is trying to do.

Rose Casey said there have been more discussions on HOV degradation in the past few months. Both Caltrans and the FHWA recognize the 180 day commitment is unrealistic in terms of projects. Phillip La Puma said in having read the law it is pretty specific – you must overcome the degradation within 180 days. It clearly says funds will be withheld until the degradation is removed. He believes this will have an impact on M2. Rose Casey said it could but right now Caltrans and FHWA know OCTA has projects which can help alleviate degradation.

Kia Mortazavi said the current requirement is the state prepare a plan and submit it to the FHWA and this has been done. The FHWA is reviewing this plan and it is expected the FHWA will come back and ask for some revisions. Philip La Puma said he reviewed this plan and in several areas it says "further study is necessary." Kia Mortazavi said part of the discussion going on between the state and the FHWA is Measure M is a voter initiative which passed and certain commitments were made - OCTA wants to uphold to this. Also, HOV lane degradation is a statewide issue and will need a statewide solution. The problem is the state does not have a solution to the problem. One of the options is the state can initiate better enforcement on carpool violators. Right now violations run around 5%. This is being discounted by the state as a solution, but nevertheless, it is a solution that is not being implemented by the state. Before they investigate the more capital intensive solutions to the problem, they need to review some of the management strategies that can be done to solve the problem. Kia Mortazavi said the system is built out so they cannot build their way out of it - the state has to figure out a way to manage their way out of it.

Philip La Puma said this is going to impact M2 and all the good work done by OCTA. It worries him that all the work being put into this wonderful program is going to be negatively impacted by something OCTA does not have control over. This needs to be really spelled out so we know where OCTA stands.

Ken Phipps said he understands what Philip La Puma is asking – basically he is asking how much federal money is at risk. OCTA cannot tell him because OCTA does not know. The law has been written and it has very serious consequences and in his opinion they are very much unintended consequences. OCTA has elevated the issues in Washington D.C., Sacramento, and obviously Caltrans. It is not just an Orange County issue but a national issue. In all likelihood the law will end up getting changed.

Terry Fleskes asked if there were any active steps OCTA is pursuing to change the law. Ken Phipps said they have elevated their concerns to the Department of Transportation statewide and at the federal level.

Philip La Puma said in the meantime billions of dollars are at risk. Kia Mortazavi said OCTA needs to get their projects ready because it doesn't get any cheaper down the road. Ken Phipps said OCTA's biggest risk is funding the projects. The Measure M program of projects was designed entirely on sales tax revenue. When the program was conceived it did not include any outside funds. Because of the downturn in the economy, the originally expected sales taxes are not expected to come in and the program needs to look for other sources of funding. OCTA has been successful to date, but still the future requires another \$720 million of additional money. OCTA's risk is delay and inflation associated with that delay and not being able to find other funding.

B. Regional Traffic Signal Synchronization Program Overview

Kia Mortazavi gave an overview on the Regional Traffic Signal Synchronization Program.

Nilima Gupta asked why the funding was so different between two projects which were basically the same length and same amount of signals. Kia Mortazavi said each corridor is different in terms of the age of the infrastructure they may have. For example some projects need no new signals, the hardware inside the cabinets is in good shape and they simply need timing. Others projects may need a bigger investment in hardware and infrastructure.

Howard Mirowitz asked which of the two Euclid Street projects came in first. Kia Mortazavi said the Euclid Street projects are the same corridor, it just came in twice. Howard Mirowitz asked how much the original project cost and how much the second project cost. Kia Mortazavi said the first project cost \$450,000 and the second project cost \$1.25 million. Howard Mirowitz asked why the second project's resynchronization cost so much more than the original synchronization. Kia Mortazavi said the first time they focused only on timing and did not invest any money in hardware or other equipment upgrades. The second time they went beyond what they did the first time to see what they could do to make the corridor work even better.

Terry Fleskes asked if it mattered who is doing it – the county or the city. Kia Mortazavi said not really in terms of the cost estimates.

Howard Mirowitz asked if the money in Measure M for this project was sufficient to pay for re-synchronizing all the proposed synchronizations on a regular basis every three years for the rest of the life of M2. Kia Mortazavi said yes. When OCTA set up the program they did a traffic system plan which looked at the 2,000-signal, 750-mile network and what it would take to cycle it through. Also realizing over the life of the network, equipment will need to be changed several times. They have sufficient funding and also have funding to invest in Traffic Management Centers, but do not want to invest in these until all the studies and assumptions prove out.

Cynthia Hall asked what average speed improvement means on the list of projects. Kia Mortazavi said the chart takes in the average speed along the corridor before synchronization and the average speed along the corridor after synchronization and determines the average time saved.

Nindy Mahal asked if this project is all manual labor intensive. Kia Mortazavi said OCTA gathers the facts about the signals traffic along the corridors, runs them through computer models, and then sits down with the cities with OCTA's

recommendations. It is signed off by the cities, implemented usually by the cities, and OCTA monitors.

7. OCTA Staff Updates

Metrolink: Andy Oftelie gave an update on Metrolink. Progress is being made on Metrolink's financial management, especially since the audit firm KPMG has taken over the accounting financing division at Metrolink. They are in the middle of recruitment for Chief Financial Officer (CFO); they are down to two finalists.

Andy Oftelie reported at a prior TOC meeting Metrolink did not submit their controller report last year and this impacted OCTA by approximately \$2 million. OCTA stepped in and assisted Metrolink in preparing the report and OCTA did receive their \$2 million and again he thanked KPMG for their assistance in this matter. In addition Metrolink submitted their fiscal year 2013 report on time. These are all good indicators that things are moving in the right direction, but they still have a long way to go.

Nindy Mahal asked how the Metrolink's accounting system got so bad. Is it just because they are new? Andy Oftelie said they are not new, it is just a real organizational cultural problem. He does not think their finance/accounting division organizationally gets the respect it needs for a public agency like Metrolink. For years, the CFO was not at the same level as other executive managers or a part of the executive management team. It is a combination of lack of resources and lack of financial expertise.

Annual Hearing Planning: Alice Rogan gave an overview of the TOC's Annual Public Hearing which will take place on February 11, 2014.

8. Annual Eligibility Review AER Subcommittee Report

Terre Duensing said the AER Subcommittee had not met and she had nothing to report.

9. Audit Subcommittee Report

Jan Grimes said the he Audit Subcommittee had not met and she had nothing to report.

10. Committee Member Reports

The Environmental Oversight Committee (EOC) met on November 20, 2013 and Philip C. La Puma gave a brief overview of the meeting and reported the EOC approved the release of the Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP) and Draft Environmental Impact Report/ Environmental Impact Statement (EIR/EIS) for a 90-day public comment period.

Alice Rogan reported there are tours available of the ARTIC project and this might be something the TOC would like to do. She will send out some available dates to the committee members to do the tour.

11. Public Comments

Sally Guon from San Clemente said she has been hearing a lot about improving traffic congestion. She wanted to know if 25% - 30% of the congestion is on commutes by students in the academic area and less than five miles – what money is being allocated for improvement in moving people naturally by foot or bicycle rather than by motorized vehicles.

Alice Rogan said OCTA staff can contact her. Measure M does not have specific line items for active transportation. Cities can use their Fair Share funds for active transportation related projects, but the TOC does not control this.

12. Adjournment

The Measure M Taxpayers Oversight Committee meeting adjourned at 7:30 p.m. The next meeting will be February 11, 2014.

Taxpayers Oversight Committee
Fiscal Year 2013-2014
Attendance Record



X = Present E = Excused Absence * = Absence Pending Approval U = Unexcused Absence -- = Resigned

Meeting Date	9-Jul	13-Aug	10-Sep	8-Oct	12-Nov	10-Dec	14-Jan	11-Feb	11-Mar	8-Apr	13-May	10-Jun
Terre Duensing		X		X		X						
Terry Fleskes		E		X		X						
Jan Grimes		X		X		X						
Nilima Gupta		X		X		X						
Cynthia Hall		X		X		X						
Randy Holbrook		X		X		*						
Phil La Puma		X		X		X						
Anh-Tuan Le		E		X		*						
Nindy Mahal		X		X		X						
Howard Mirowitz		X		X		X						
Jack Wu		X		X		*						

Absences Pending Approval

<u>Meeting Date</u>	<u>Name</u>	<u>Reason</u>
12/10/13	Randy Holbrook	Personal
12/10/13	Anh-Tuan Le	Work-related
12/10/13	Jack Wu	Personal

Action Items

Schedule 1

Measure M1
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of December 31, 2013

(\$ in thousands)	Year to Date Dec 31, 2013 (A)	Period from Inception through Dec 31, 2013 (B)
Revenues:		
Sales taxes	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs:		
Project related	4,036	581,942
Non-project related	-	620
Interest:		
Operating:		
Project related	-	1,745
Non-project related	1,092	269,172
Bond proceeds	-	136,067
Debt service	-	82,054
Commercial paper	-	6,072
Orange County bankruptcy recovery	-	42,268
Capital grants	-	156,434
Right-of-way leases	120	6,386
Proceeds on sale of assets held for resale	2,256	26,831
Miscellaneous:		
Project related	-	26
Non-project related	1	777
Total revenues	<u>7,505</u>	<u>5,314,366</u>
Expenditures:		
Supplies and services:		
State Board of Equalization (SBOE) fees	-	56,883
Professional services:		
Project related	276	207,135
Non-project related	103	35,747
Administration costs:		
Project related	431	23,771
Non-project related	701	96,089
Orange County bankruptcy loss	-	78,618
Other:		
Project related	26	2,095
Non-project related	6	15,966
Payments to local agencies:		
Turnback	-	594,009
Other	4,290	941,974
Capital outlay	1,479	2,093,505
Debt service:		
Principal payments on long-term debt	-	1,003,955
Interest on long-term debt and commercial paper	-	561,842
Total expenditures	<u>7,312</u>	<u>5,711,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>193</u>	<u>(397,223)</u>
Other financing sources (uses):		
Transfers out:		
Project related	(17,750)	(406,433)
Non-project related	-	(5,116)
Transfers in: project related	-	1,829
Bond proceeds	-	1,169,999
Advance refunding escrow	-	(931)
Payment to refunded bond escrow agent	-	(152,930)
Total other financing sources (uses)	<u>(17,750)</u>	<u>606,418</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ (17,557)</u>	<u>\$ 209,195</u>

Measure M1
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of December 31, 2013

(\$ in thousands)	Year Ended Dec 31, 2013 (actual) (C.1)	Period from Inception through Dec 31, 2013 (actual) (D.1)	Period from January 1, 2014 forward (forecast) (E.1)	Total (F.1)
Tax revenues:				
Sales taxes	\$ -	\$ 4,003,972	\$ -	\$ 4,003,972
Other agencies' share of Measure M1 costs	-	620	-	620
Operating interest	1,092	269,172	1,847	271,019
Orange County bankruptcy recovery	-	20,683	-	20,683
Miscellaneous, non-project related	1	777	-	777
Total tax revenues	<u>1,093</u>	<u>4,295,224</u>	<u>1,847</u>	<u>4,297,071</u>
Administrative expenditures:				
SBOE fees	-	56,883	-	56,883
Professional services, non-project related	103	26,886	-	26,886
Administration costs, non-project related	701	96,089	1,666	97,755
Transfers out, non-project related	-	5,116	-	5,116
Orange County bankruptcy loss	-	29,792	-	29,792
Other, non-project related	6	6,866	-	6,866
Total administrative expenditures	<u>810</u>	<u>221,632</u>	<u>1,666</u>	<u>223,298</u>
Net tax revenues	<u>\$ 283</u>	<u>\$ 4,073,592</u>	<u>\$ 181</u>	<u>\$ 4,073,773</u>
	(C.2)	(D.2)	(E.2)	(F.2)
Bond revenues:				
Proceeds from issuance of bonds	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	136,067	-	136,067
Interest revenue from debt service funds	-	82,054	-	82,054
Interest revenue from commercial paper	-	6,072	-	6,072
Orange County bankruptcy recovery	-	21,585	-	21,585
Total bond revenues	<u>-</u>	<u>1,415,777</u>	<u>-</u>	<u>1,415,777</u>
Financing expenditures and uses:				
Professional services, non-project related	-	8,861	-	8,861
Payment to refunded bond escrow	-	153,861	-	153,861
Bond debt principal	-	1,003,955	-	1,003,955
Bond debt interest expense	-	561,842	-	561,842
Orange County bankruptcy loss	-	48,826	-	48,826
Other, non-project related	-	9,100	-	9,100
Total financing expenditures and uses	<u>-</u>	<u>1,786,445</u>	<u>-</u>	<u>1,786,445</u>
Net bond revenues (debt service)	<u>\$ -</u>	<u>\$ (370,668)</u>	<u>\$ -</u>	<u>\$ (370,668)</u>

Measure M1
Schedule of Revenues and Expenditures Summary
as of December 31, 2013

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through Dec 31, 2013	Reimbursements through Dec 31, 2013	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
<i>(\$ in thousands)</i>										
Freeways (43%)										
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 982,243	\$ 982,287	\$ 810,010	\$ 788,022	\$ 194,265	\$ 21,988	\$ 879,956	\$ 87,996	\$ 791,960	97.8%
I-5 between I-5/I-405 Interchange and San Clemente	68,744	68,747	72,862	74,962	(6,215)	(2,100)	70,294	10,358	59,936	82.3%
I-5/I-405 Interchange	87,251	87,255	72,802	73,075	14,180	(273)	98,157	25,082	73,075	100.4%
SR-55 (Costa Mesa Fwy) between I-5 and SR-91 (Riverside Fwy)	58,168	58,170	44,511	49,349	8,821	(4,838)	55,514	6,172	49,342	110.9%
SR-57 (Orange Fwy) between I-5 and Lambert Road	29,084	29,085	24,128	22,758	6,327	1,370	25,617	2,859	22,758	94.3%
SR-91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	125,590	125,595	116,136	105,389	20,206	10,747	123,995	18,606	105,389	90.7%
SR-22 (Garden Grove Fwy) between SR-55 and Valley View St.	400,565	400,583	313,297	311,943	88,640	1,354	660,084	348,762	311,322	99.4%
Subtotal Projects	1,751,645	1,751,722	1,453,746	1,425,498	326,224	28,248	1,913,617	499,835	1,413,782	
Net (Bond Revenue)/Debt Service	-	-	311,917	311,917	(311,917)	-	311,917	-	311,917	
Total Freeways	\$ 1,751,645	\$ 1,751,722	\$ 1,765,663	\$ 1,737,415	\$ 14,307	\$ 28,248	\$ 2,225,534	\$ 499,835	\$ 1,725,699	44.7%
%				43.0%						
Regional Street and Road Projects (11%)										
Smart Streets	\$ 153,633	\$ 153,639	\$ 151,230	\$ 151,230	\$ 2,409	\$ -	\$ 157,664	\$ 11,939	\$ 145,725	96.4%
Regionally Significant Interchanges	89,619	89,624	89,624	89,624	-	-	83,826	146	83,680	93.4%
Intersection Improvement Program	128,026	128,033	128,033	128,033	-	-	115,060	3,720	111,340	87.0%
Traffic Signal Coordination	64,014	64,016	64,016	64,016	-	-	67,792	3,747	64,045	100.0%
Transportation Systems Management and Transportation Demand Management	12,803	12,803	12,803	12,803	-	-	11,277	149	11,128	86.9%
Subtotal Projects	448,095	448,115	445,706	445,706	2,409	-	435,619	19,701	415,918	
Net (Bond Revenue)/Debt Service	-	-	2,409	2,409	(2,409)	-	2,409	-	2,409	
Total Regional Street and Road Projects	\$ 448,095	\$ 448,115	\$ 448,115	\$ 448,115	\$ -	\$ -	\$ 438,028	\$ 19,701	\$ 418,327	10.8%
%				11.1%						

**Measure M1
Schedule of Revenues and Expenditures Summary
as of December 31, 2013**

Project Description (G) (\$ in thousands)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures through Dec 31, 2013 (N)	Reimbursements through Dec 31, 2013 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	\$ 160,710	\$ 160,721	\$ 160,721	\$ 160,721	\$ -	\$ -	\$ 148,554	\$ 99	\$ 148,455	92.4%
Streets and Roads Maintenance and Road Improvements	594,744	594,771	594,771	594,771	-	-	594,025	-	594,025	99.9%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	96,286	431	95,855	95.9%
Subtotal Projects	855,454	855,492	855,492	855,492	-	-	838,865	530	838,335	
Net (Bond Revenue)/Debt Service	-	-	-	-	-	-	-	-	-	
Total Local Street and Road Projects	\$ 855,454	\$ 855,492	\$ 855,492	\$ 855,492	\$ -	\$ -	\$ 838,865	\$ 530	\$ 838,335	
%				21.2%					21.7%	
Transit Projects (25%)										
Pacific Electric Right-of-Way	\$ 19,711	\$ 19,712	\$ 15,000	\$ 14,200	\$ 5,512	\$ 800	\$ 17,491	\$ 3,342	\$ 14,149	94.3%
Commuter Rail	367,648	367,665	367,665	337,665	30,000	30,000	411,438	60,805	350,633	95.4%
High-Technology Advanced Rail Transit	446,781	446,802	446,802	440,688	6,114	6,114	468,474	154,215	314,259	70.3%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	20,000	-	20,000	100.0%
Transitways	164,258	164,265	146,381	127,150	37,115	19,231	163,418	36,765	126,653	86.5%
Subtotal Projects	1,018,398	1,018,444	995,848	939,703	78,741	56,145	1,080,821	255,127	825,694	
Net (Bond Revenue)/Debt Service	-	-	56,342	56,342	(56,342)	-	56,342	-	56,342	
Total Transit Projects	\$ 1,018,398	\$ 1,018,444	\$ 1,052,190	\$ 996,045	\$ 22,399	\$ 56,145	\$ 1,137,163	\$ 255,127	\$ 882,036	
%				24.7%					22.8%	
Total Measure M1 Program	\$ 4,073,592	\$ 4,073,773	\$ 4,121,460	\$ 4,037,067	\$ 36,706	\$ 84,393	\$ 4,639,590	\$ 775,193	\$ 3,864,397	

Schedule 1

Measure M2
Schedule of Revenues, Expenditures and Changes in Fund Balance
as of December 31, 2013
(Unaudited)

<i>(\$ in thousands)</i>	Year to Date Dec 31, 2013 <i>(A)</i>	Period from Inception to Dec 31, 2013 <i>(B)</i>
Revenues:		
Sales taxes	\$ 140,628	\$ 718,856
Other agencies' share of Measure M2 costs:		
Project related	42,536	198,564
Interest:		
Operating:		
Non-project related	1,996	3,522
Bond proceeds	2,714	18,922
Debt service	3	35
Commercial paper	-	395
Right-of-way leases	124	476
Miscellaneous		
Project related	-	13
Non-project related	-	7
Total revenues	<u>188,001</u>	<u>940,790</u>
Expenditures:		
Supplies and services:		
State Board of Equalization (SBOE) fees	1,612	7,384
Professional services:		
Project related	5,343	166,580
Non-project related	882	9,154
Administration costs:		
Project related	3,506	23,241
Non-project related	2,749	26,696
Other:		
Project related	94	815
Non-project related	13	3,513
Payments to local agencies:		
Project related	41,107	267,384
Capital outlay:		
Project related	53,853	284,551
Non-project related	-	32
Debt service:		
Principal payments on long-term debt	-	6,410
Interest on long-term debt and commercial paper	11,134	60,841
Total expenditures	<u>120,293</u>	<u>856,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,708</u>	<u>84,189</u>
Other financing sources (uses):		
Transfers out:		
Project related	(922)	(6,803)
Transfers in:		
Project related	1,326	33,249
Non-project related	16,424	16,424
Bond proceeds	-	358,593
Total other financing sources (uses)	<u>16,828</u>	<u>401,463</u>
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	<u>\$ 84,536</u>	<u>\$ 485,652</u>

Measure M2
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
as of December 31, 2013
(Unaudited)

<i>(\$ in thousands)</i>	Year Ended Dec 31, 2013 (actual) (C.1)	Period from Inception through Dec 31, 2013 (actual) (D.1)	Period from January 1, 2014 through March 31, 2014 (forecast) (E.1)	Total (F.1)
Tax revenues:				
Sales taxes	\$ 140,628	\$ 718,856	\$ 14,722,876	\$ 15,441,732
Operating interest	1,996	3,522	772,632	776,154
Total tax revenues	<u>142,624</u>	<u>722,378</u>	<u>15,495,508</u>	<u>16,217,886</u>
Administrative expenditures:				
SBOE fees	1,612	7,384	220,932	228,316
Professional services, non-project related	774	5,797	100,099	105,896
Administration costs, non-project related	2,749	26,696	140,603	167,299
Transfers out, non-project related	-	-	20,608	20,608
Other, non-project related	13	3,513	26,497	30,010
Capital outlay, non-project related	-	32	-	32
Environmental cleanup	2,737	4,720	309,910	314,630
Total expenditures	<u>7,885</u>	<u>48,142</u>	<u>818,650</u>	<u>866,792</u>
Net tax revenues	<u>\$ 134,739</u>	<u>\$ 674,236</u>	<u>\$ 14,676,858</u>	<u>\$ 15,351,094</u>
<hr/>				
<i>(C.2) (D.2) (E.2) (F.2)</i>				
Bond revenues:				
Proceeds from issuance of bonds	\$ -	\$ 358,593	\$ 1,450,000	\$ 1,808,593
Interest revenue from bond proceeds	2,714	18,922	26	18,948
Interest revenue from debt service funds	3	35	55	90
Interest revenue from commercial paper	-	395	-	395
Total bond revenues	<u>2,717</u>	<u>377,945</u>	<u>1,450,081</u>	<u>1,828,026</u>
Financing expenditures and uses:				
Professional services, non-project related	108	3,357	-	3,357
Bond debt principal	-	6,410	1,450,058	1,456,468
Bond debt and other interest expense	11,134	60,841	1,066,040	1,126,881
Other, non-project related	-	-	-	-
Total financing expenditures and uses	<u>11,242</u>	<u>70,608</u>	<u>2,516,098</u>	<u>2,586,706</u>
Net bond revenues (debt service)	<u>\$ (8,525)</u>	<u>\$ 307,337</u>	<u>\$ (1,066,017)</u>	<u>\$ (758,680)</u>

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2013
(Unaudited)

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through Dec 31, 2013	Reimbursements through Dec 31, 2013	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	
<i>(\$ in thousands)</i>											
Freeways (43% of Net Tax Revenues)											
A	I-5 Santa Ana Freeway Interchange Improvements	\$ 26,575	\$ 605,065	\$ 604,672	\$ 604,672	\$ 393	\$ -	\$ 1,585	\$ -	\$ 1,585	0.3%
B,C,D	I-5 Santa Ana/San Diego Freeway Improvements	67,014	1,525,794	1,435,535	1,435,535	90,259	-	36,853	8,536	28,317	2.0%
E	SR-22 Garden Grove Freeway Access Improvements	6,785	154,485	154,485	154,485	-	-	4	-	4	0.0%
F	SR-55 Costa Mesa Freeway Improvements	20,695	471,178	469,971	469,971	1,207	-	5,579	13	5,566	1.2%
G	SR-57 Orange Freeway Improvements	14,628	333,043	322,828	322,828	10,215	-	38,153	8,769	29,384	9.1%
H,I,J	SR-91 Riverside Freeway Improvements	51,380	1,169,836	1,165,048	1,165,048	4,788	-	24,080	6,162	17,918	1.5%
K,L	I-405 San Diego Freeway Improvements	78,736	1,792,667	1,299,540	1,299,540	493,127	-	19,572	774	18,798	1.4%
M	I-605 Freeway Access Improvements	1,131	25,747	25,747	25,747	-	-	64	-	64	0.2%
N	All Freeway Service Patrol	8,481	193,106	193,106	193,106	-	-	40	-	40	0.0%
	Freeway Mitigation	14,496	330,049	318,850	318,850	11,199	-	36,324	1,305	35,019	11.0%
	Subtotal Projects	289,921	6,600,970	5,989,782	5,989,782	611,188	-	162,254	25,559	136,695	
	Net (Bond Revenue)/Debt Service	-	-	611,189	611,189	(611,189)	-	17,694	-	17,694	
	Total Freeways	\$ 289,921	\$ 6,600,970	\$ 6,600,971	\$ 6,600,971	\$ (1)	\$ -	\$ 179,948	\$ 25,559	\$ 154,389	
	%				43.0%					27.7%	
Street and Roads Projects (32% of Net Tax Revenues)											
O	Regional Capacity Program	\$ 67,425	\$ 1,535,128	\$ 1,489,846	\$ 1,489,846	\$ 45,282	\$ -	\$ 288,763	\$ 130,392	\$ 158,371	10.6%
P	Regional Traffic Signal Synchronization Program	26,969	614,024	613,906	613,906	118	-	5,665	272	5,393	0.9%
Q	Local Fair Share Program	121,362	2,763,197	2,763,197	2,763,197	-	-	104,440	-	104,440	3.8%
	Subtotal Projects	215,756	4,912,349	4,866,949	4,866,949	45,400	-	398,868	130,664	268,204	
	Net (Bond Revenue)/Debt Service	-	-	45,400	45,400	(45,400)	-	19,045	-	19,045	
	Total Street and Roads Projects	\$ 215,756	\$ 4,912,349	\$ 4,912,349	\$ 4,912,349	\$ -	\$ -	\$ 417,913	\$ 130,664	\$ 287,249	
	%				32.0%					51.5%	

**Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2013
(Unaudited)**

Project	Description	Net Tax Revenues Program to Date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through Dec 31, 2013	Reimbursements through Dec 31, 2013	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	
<i>(\$ in thousands)</i>											
Transit Projects (25% of Net Tax Revenues)											
R	High Frequency Metrolink Service	\$ 60,359	\$ 1,374,254	\$ 1,346,199	\$ 1,346,199	\$ 28,055	\$ -	\$ 136,916	\$ 71,198	\$ 65,718	4.9%
S	Transit Extensions to Metrolink	59,519	1,355,146	1,313,602	1,313,602	41,544	-	884	312	572	0.0%
T	Metrolink Gateways	13,487	307,076	274,584	274,584	32,492	-	28,351	4,366	23,985	8.7%
U	Expand Mobility Choices for Seniors and Persons with Disabilities	20,225	460,479	460,479	460,479	-	-	17,358	16	17,342	3.8%
V	Community Based Transit/Circulators	13,481	306,941	306,941	306,941	-	-	18	10	8	0.0%
W	Safe Transit Stops	1,488	33,879	33,879	33,879	-	-	5	-	5	0.0%
	Subtotal Projects	168,559	3,837,775	3,735,684	3,735,684	102,091	-	183,532	75,902	107,630	
	Net (Bond Revenue)/Debt Service	-	-	102,091	102,091	(102,091)	-	8,107	-	8,107	
	Total Transit Projects	\$ 168,559	\$ 3,837,775	\$ 3,837,775	\$ 3,837,775	\$ -	\$ -	\$ 191,639	\$ 75,902	\$ 115,737	20.8%
	%				25.0%						
	Measure M2 Program	\$ 674,236	\$ 15,351,094	\$ 15,351,095	\$ 15,351,095	\$ (1)	\$ -	\$ 789,500	\$ 232,125	\$ 557,375	

Measure M2
Schedule of Revenues and Expenditures Summary
as of December 31, 2013
(Unaudited)

Project	Description	Revenues Program to Date Actual	Total Revenues	Project Budget	Estimate at Completion	Variance Total Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through Dec 31, 2013	Reimbursements through Dec 31, 2013	Net Project Cost	Percent of Budget Expended
(G)	(H.1)	(I.1)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	
	<i>(\$ in thousands)</i>										
	Environmental Cleanup (2% of Revenues)										
X	Clean Up Highway and Street Runoff that Pollutes Beaches	\$ 14,448	\$ 324,358	\$ 324,358	\$ 324,358	\$ -	\$ -	\$ 4,720	\$ 177	\$ 4,543	1.4%
	Total Environmental Cleanup	\$ 14,448	\$ 324,358	\$ 324,358	\$ 324,358	\$ -	\$ -	\$ 4,720	\$ 177	\$ 4,543	
	%				2.0%					0.6%	
	Taxpayer Safeguards and Audits										
	Collect Sales Taxes (1.5% of Sales Taxes)	\$ 10,783	\$ 231,626	\$ 231,626	\$ 231,626	\$ -	\$ -	\$ 7,384	\$ -	\$ 7,384	3.2%
	%				1.5%					1.0%	
	Oversight and Annual Audits (1% of Revenues)	\$ 7,224	\$ 162,179	\$ 162,179	\$ 162,179	\$ -	\$ -	\$ 11,046	\$ 3,822	\$ 7,224	4.5%
	%				1.0%					1.0%	



February 11, 2014

To: Taxpayers Oversight Committee
From: Annual Eligibility Review Subcommittee
Subject: Measure M2 Annual Eligibility Review Subcommittee Recommendations for Fiscal Year 2012-13 Expenditure Reports

Overview

The Measure M2 Ordinance requires all local jurisdictions in Orange County to annually satisfy eligibility requirements in order to receive fair share and competitive grant net revenues. The Annual Eligibility Review subcommittee review process for the fiscal year 2012-13 expenditure reports has been completed.

Recommendations

1. Approve the expenditure reports for 34 local jurisdictions in Orange County and find 34 local jurisdictions eligible to receive fair share and competitive grant net revenues for fiscal year 2013-14.
2. Direct staff to return with an eligibility finding for the City of Huntington Beach pending adoption and submittal of the fiscal year 2012-13 expenditure report.
3. Recommend to the Taxpayers Oversight Audit Subcommittee that the cities of Aliso Viejo, Seal Beach, Stanton and Westminster be considered for audit next year.

Background

The Taxpayer's Oversight Committee (TOC) is responsible for reviewing local agencies Local Signal Synchronization Plan, Mitigation Fee Program, Expenditure Report, Congestion Management Plan, and Pavement Management Plan for compliance with Ordinance No. 3. The eligibility component due this eligibility cycle includes fiscal year 2012-13 expenditure reports for each local jurisdiction in Orange County.

The Annual Eligibility Review (AER) subcommittee has been designated by the TOC to review the eligibility submittals with support from Orange County Transportation

Authority (OCTA) staff. The AER subcommittee members include Jack Wu (Chair), Terre Duensing, Nilima Gupta, Narinder Mahal, and Cynthia Hall.

Local jurisdictions are required to annually submit expenditure reports within six months of the close of local agencies fiscal year (December 31st). City of Huntington Beach is an exception since the local jurisdiction follows a federal fiscal year (October 1 to September 30) and will therefore submit an expenditure report by March 31st.

Discussion

OCTA staff reviewed the expenditure reports to ensure consistency and accuracy. The AER subcommittee convened on January 21, 2014 to review and discuss the expenditure reports. Based on the review of all of the local agency expenditure reports, the AER subcommittee has recommended the cities of Aliso Viejo, Seal Beach, Stanton, and Westminster be considered next year when the TOC Audit subcommittee selects which local agencies to audit.

The AER subcommittee found the expenditure reports in compliance with the Ordinance and recommend to the TOC for eligibility approval. The FY 2013-14 Measure M2 Eligibility Review of Expenditure Reports for FY 2012-13 Summary is included in Attachment A. Upon TOC approval, OCTA staff will present the eligibility findings to the Regional Planning and Highways Committee on March 3, 2014 and to the OCTA Board of Directors on March 10, 2014.

Summary

The Annual Eligibility Review subcommittee reviewed expenditure reports and found local jurisdictions compliant with the Ordinance. The City of Huntington Beach's expenditure report will be submitted in fall 2014 with the eligibility findings for FY 2014-15.

Attachment

- A. FY 2013-14 Measure M2 Eligibility Review of FY 2012-13 Expenditure Reports Summary

FY 2013-14 Measure M2 Eligibility
Review of FY 2012-13 Expenditure Reports
Summary

Agency	Expenditure Report Received by 12/31/13	Resolution Received by 12/31/13	Maintenance of Effort (MOE) Reported	Expenditure Report Found Compliant by Taxpayers Oversight Committee Subcommittee
Aliso Viejo	Yes	Yes	Yes	Yes
Anaheim	Yes	Yes	Yes	Yes
Brea	Yes	Yes	Yes	Yes
Buena Park	Yes	Yes	Yes	Yes
Costa Mesa	Yes	Yes	Yes	Yes
County of Orange	Yes	Yes	N/A	Yes
Cypress	Yes	Yes	Yes	Yes
Dana Point	Yes	Yes	Yes	Yes
Fountain Valley	Yes	Yes	Yes	Yes
Fullerton	Yes	Yes	Yes	Yes
Garden Grove	Yes	Yes	Yes	Yes
Huntington Beach*	N/A	N/A	N/A	N/A
Irvine	Yes	Yes	Yes	Yes
La Habra	Yes	Yes	Yes	Yes
La Palma	Yes	Yes	Yes	Yes
Laguna Beach	Yes	Yes	Yes	Yes
Laguna Hills	Yes	Yes	Yes	Yes
Laguna Niguel	Yes	Yes	Yes	Yes
Laguna Woods	Yes	Yes	Yes	Yes
Lake Forest	Yes	Yes	Yes	Yes
Los Alamitos	Yes	Yes	Yes	Yes
Mission Viejo	Yes	Yes	Yes	Yes
Newport Beach	Yes	Yes	Yes	Yes
Orange	Yes	Yes	Yes	Yes
Placentia	Yes	Yes	Yes	Yes
Rancho Santa Margarita	Yes	Yes	Yes	Yes
San Clemente	Yes	Yes	Yes	Yes
San Juan Capistrano	Yes	Yes	Yes	Yes
Santa Ana	Yes	Yes	Yes	Yes
Seal Beach	Yes	Yes	Yes	Yes
Stanton	Yes	Yes	Yes	Yes
Tustin	Yes	Yes	Yes	Yes
Villa Park	Yes	Yes	Yes	Yes
Westminster	Yes	Yes	Yes	Yes
Yorba Linda	Yes	Yes	Yes	Yes

*Huntington Beach follows a federal fiscal year and must submit the M2 Expenditure Report for FY 2012-13 by March 31, 2014.

***Presentation
Items***



COMMITTEE TRANSMITTAL

January 27, 2014

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board *WK*

Subject: Release Natural Community Conservation Plan/Habitat Conservation Plan and Draft Environmental Impact Report/Environmental Impact Statement

Executive Committee meeting of January 6, 2014

Present: Chairman Winterbottom, Vice Chairman Nelson, and Directors Bates, Hennessey, Nguyen, and Spitzer

Absent: Director Murray

Committee Vote

The item was passed by the Committee Members present.

Committee Recommendations

- A. Authorize release of the Natural Community Conservation Plan/Habitat Conservation Plan and Draft Environmental Impact Report/Environmental Impact Statement for a 90-day public comment period.
- B. Direct staff to prepare a long-term expenditure plan for the Environmental Mitigation Program funds for review by the Environmental Oversight Committee and the Finance and Administration Committee.



January 6, 2014

To: Executive Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Release Natural Community Conservation Plan/Habitat Conservation Plan and Draft Environmental Impact Report/Environmental Impact Statement

Overview

Measure M2 provides funding for programmatic mitigation to off-set impacts of Measure M2 freeway projects. The Natural Community Conservation Plan/Habitat Conservation Plan, along with a Draft Environmental Impact Report/Environmental Impact Statement demonstrates that sufficient conservation is being provided to address the biological mitigations related to the Measure M2 freeway projects. These documents are ready to be circulated for public review with the direction of the Orange County Transportation Authority Board of Directors.

Recommendations

- A. Authorize release of the Natural Community Conservation Plan/Habitat Conservation Plan and Draft Environmental Impact Report/Environmental Impact Statement for a 90-day public comment period.
- B. Direct staff to prepare a long-term expenditure plan for the Environmental Mitigation Program funds for review by the Environmental Oversight Committee and the Finance and Administration Committee.

Background

The Orange County Transportation Authority's (OCTA) Environmental Mitigation Program (Mitigation Program) provides for allocation of at least five percent of the total Measure M2 (M2) freeway budget for comprehensive environmental mitigation for impacts resulting from the freeway improvements.

The Mitigation Program was approved by Orange County voters under the M2 half-cent sales tax for transportation improvements in November 2006.

In August 2007, the OCTA Board of Directors (Board) approved a five-year M2 Early Action Plan, covering the years 2007 to 2012, to advance the implementation of key M2 projects, including the Mitigation Program. In November 2009, the Board approved master and planning agreements to establish a process, roles, responsibilities, and commitments for the preparation of a Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP), along with a Draft Environmental Impact Report/ Environmental Impact Statement (DEIR/EIS). In mid-2010, the Board approved the initiation of the NCCP/HCP planning process. Pursuant to the M2 Ordinance, the Mitigation Program was implemented under both the master and planning agreements between OCTA, the California Department of Transportation (Caltrans), and state and federal resources agencies.

The master agreement set the framework for providing programmatic mitigation for biological impacts related to the 13 M2 freeway improvement projects (covered projects). The approach for this program is to develop and implement a NCCP/HCP, along with a DEIR/EIS. This process helps fulfill the M2 commitment by providing programmatic environmental mitigation to streamline the permit process associated with biological permitting and reduce freeway project delays.

The Mitigation Program is intended to minimize biological regulatory permitting delays in the implementation of the freeway projects. The various forms of mitigation have included acquisition and/or restoration of land for conservation. To date, OCTA has acquired approximately 950 acres of open space lands and funded approximately 400 acres of habitat restoration projects. The acquired lands and funded restoration projects are incorporated into the NCCP/HCP as part of OCTA's mitigation commitment. The conservation strategy also complements existing preserved lands within the County.

This process will offer early and higher-value environmental benefits such as habitat protection, connectivity, and resource preservation in exchange for streamlined and up front project approvals for the freeway projects. As directed in the M2 Ordinance, the Environmental Oversight Committee (EOC), a subcommittee created by the Board, is responsible for making recommendations to the Board on matters related to the Mitigation Program.

Discussion

OCTA has worked closely with the United States Fish and Wildlife Service, the California Department of Fish and Wildlife (wildlife agencies), and Caltrans to develop a comprehensive NCCP/HCP and DEIR/EIS. The NCCP/HCP process examines habitat resources within broad geographic areas and identifies

conservation and mitigation measures to protect those resources consistent with the scale and location of M2 freeway projects.

The main intent of the NCCP/HCP and DEIR/EIS documents is to demonstrate how OCTA is providing for the conservation and management of covered wildlife species within the planning area. Covered wildlife species include threatened, endangered, and species of special concern that are designated by the state and federal endangered species acts. Specifically, these species are potentially affected as part of the 13 M2 covered projects. This will enable OCTA to implement covered projects in a manner that complies with applicable state and federal fish and wildlife protection laws and other environmental laws. This includes the California and federal Endangered Species Acts (ESA), the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).

This conservation approach includes the preservation, restoration, and enhancement of natural communities and ecosystems to support the identified M2 NCCP/HCP covered species (covered species) within the planning area. It outlines clear expectations and regulatory assurances regarding the 13 M2 covered projects. The benefit will be a more cost efficient project review process resulting in greater conservation values than project-by-project, species-by-species review.

The key elements of the draft NCCP/HCP are:

- Covered species, projects, and activities
- Conservation targets and biological goals and objectives
- Conservation strategy and analysis
- Preserve management and monitoring
- Plan implementation, assurances, and funding

The NCCP/HCP is meant to demonstrate that OCTA is providing adequate conservation that meet the targets set by the specific goals and objectives developed to cover the biological mitigation needs of the freeway projects, as well as contributing to a net benefit to the covered species. An executive summary is included as Attachment A.

The wildlife agencies will issue permits to OCTA once findings are made based on the NCCP/HCP. This will enable OCTA to streamline the environmental (biological component) review process for each of the M2 freeway projects. If biological mitigation is necessary for the freeway projects, the project specific biological study will provide an analysis of the expected impacts. The biological

study will reference the NCCP/HCP and its' permits in order to meet the mitigation needs.

The NCCP/HCP covers the mitigation needs of the biological permitting processes, which is only a portion of the regulatory requirements. Regulatory permits will also be necessary to comply with the state and federal clean water acts. Staff is working with the State Water Resources Control Board, the Regional Water Quality Control Boards, and the Army Corps of Engineers to develop a similar programmatic process.

The DEIR/EIS analyzes three alternatives: (1) No Project/No Action; (2) proposed NCCP/HCP; and (3) federal and state ESA-listed species only NCCP/HCP (reduced plan). The DEIR/EIS addresses potential impacts associated with the three proposed project alternatives. Based on the initial findings of the DEIR/EIS, the proposed plan would result in no impact, less than significant impacts with mitigation, or beneficial improvement for all environmental resources. An executive summary of the DEIR/EIS including an overall impacts summary for all alternatives is provided in Attachment B. The EOC endorsed the release of the draft NCCP/HCP along with the DEIR/EIS for public review and input at its November 20, 2013 meeting.

Upon direction from the Board, the NCCP/HCP and DEIR/EIS will be released for a 90-day public comment period, as required by the NCCP/HCP planning process, as well as to comply with CEQA and NEPA. The necessary notices will be mailed to the State Clearinghouse, Federal Register, stakeholders, and will be published in local newspapers. OCTA will host two open houses during the comment period – one to be held concurrently with an EOC meeting and another held separately. The dates for the open house meetings are anticipated to occur during the first quarter of 2014. The public comment period will provide an opportunity to encourage participation, gather feedback from stakeholders, and address public concerns. The NCCP/HCP and DEIR/EIS will be available at the OCTA headquarters and on the OCTA website for public review.

Following the public comment period, any comments received will be incorporated into the final NCCP/HCP and EIR/EIS. The final NCCP/HCP will be brought to the Board for adoption, during the early part of 2015.

The NCCP/HCP also outlines the requirements for monitoring and managing the acquired properties (preserves). These preserves will be managed to ensure the long-term health and viability of covered species and ecological values.

The wildlife agencies require that Resource Management Plans (RMPs) are developed for each preserve. The RMPs provide guidelines for the management

of the properties in accordance with the goals and objectives set forth in the NCCP/HCP. The RMPs will provide guidance for the ongoing protection and preservation of the natural resources found within the preserves. In addition, safety issues such as fire protection, as well as accommodating safe access and appropriate recreational use of the site by adjacent property owners and the general public, will be addressed.

It is important to note that the RMPs process is separate from the NCCP/HCP planning process. Typically, the RMPs are expected to be developed within two years of permit issuance, or within two years of the recording of a conservation easement of a preserve. Since public access to the preserves is recognized as an important co-benefit in the Board-approved acquisition criteria, and there has been public interest in these preserves, the RMPs will be released concurrent with the NCCP/HCP and DEIR/EIR. Early completion of the RMPs will also provide a basis for more accurately identifying the specific costs and obligations for long-term management of each preserve. The public will be encouraged to provide input on the RMPs for each preserve on a concurrent schedule with review of the NCCP/HCP.

Funding Requirements

Attachment C outlines the current and anticipated expenditures based on commitments made through the NCCP/HCP planning process. These expenditures include: the cost of the acquisition properties and funded restoration projects; expected funds necessary for long-term management (endowment) of the acquired properties; Early Action Plan financing cost for the Mitigation Program; the cost for developing the NCCP/HCP; and future forecasted expenditures needed for the remaining obligations in fulfilling the NCCP/HCP requirements. These costs are well within the projected total M2 revenues for the Mitigation Program, which is estimated to be just over \$300 million.

Funding to address the commitments of the NCCP/HCP is discussed in the document. As a first priority, funds will be needed to meet the remaining commitments of the NCCP/HCP (land acquisition and focused restoration projects).

The M2 freeway projects will also require that OCTA and Caltrans meet regulatory compliance needs of the state and federal regulatory agencies pursuant to the State and Federal Clean Water Acts. M2 Mitigation Program funds will also be utilized to cover these necessary regulatory requirements.

OCTA will also be required to establish an endowment to pay for the long-term management and maintenance costs of the preserves. Estimates of the endowment funding needed are shown in the NCCP/HCP. Over the next

ten years, Mitigation Program revenues will be needed to both pay for ongoing management needs plus contribute to the endowment.

As part of the final approval of the NCCP/HCP, OCTA and the wildlife agencies will enter into an implementing agreement (IA) that determines the obligations and commitments of each party. This IA, in combination with the RMPs for each preserve, will define specific long-term management and maintenance obligations that OCTA must meet.

The acquired properties that will be managed as preserves will also require a long-term land manager/managers. In the next calendar year, while the NCCP/HCP is being reviewed and finalized, staff will begin to outline options and a process for determining the entity (or entities) appropriate for long-term management. These options and the recommended process will be reviewed by the EOC before being presented to the OCTA Board for approval.

Note, the estimated endowment cost could change as OCTA hones in on the long-term management cost of the acquired properties. The objective over the next calendar year is to define the management options and a process for determining a land manager or managers concurrent with the final approval of the NCCP/HCP and its IA. Subsequent to the plan and IA approvals, the preserve properties can be placed under a conservation easement, and agreements can be entered into with a land manager or managers. At this point, all of the financial obligations, including the long-term management costs, associated with the NCCP/HCP can be determined with a high-degree of certainty. Given the endowment is intended to fund the management of the preserve in perpetuity, staff will work with the EOC, Finance and Administration Committee, and ultimately the Board to determine the appropriate investment strategy for the Mitigation Program. Using the current OCTA investment assumptions, the estimated endowment for the Mitigation Program is \$56 million.

Staff will continue to work closely with the EOC and the wildlife agencies to effectively identify long-term land managers that will implement the goals and objectives of the NCCP/HCP, and make the appropriate recommendations to the Board. In addition to the interim land management period which provides OCTA some experience and a track record on the cost of managing open-space lands, OCTA will have opportunities to continue to track the land management costs during the anticipated ten-year period to establish the endowment.

Based upon M2 funding projections and current estimates of funding needs for the NCCP/HCP, there will be future revenues under the Mitigation Program of M2 that will be over and above what is necessary to support the NCCP/HCP. During calendar year 2014, staff will develop options for use of such funds for

review and action by the EOC and the Finance and Administration Committee and ultimate approval by the Board.

Summary

OCTA has completed the NCCP/HCP and DEIR/EIS for the 13 freeway improvement projects under M2. The draft documents meet the objectives and goals of NCCP/HCP process. Upon Board direction, staff will circulate the NCCP/HCP and DEIR/EIS for a 90-day public review period.

Over the next calendar year, staff will develop options and a recommended process for determining long-term preserve management. Staff will also develop recommendations for a long-term expenditure plan for the M2 Freeway Mitigation Program funds.

Attachments

- A. Pre-Draft Public Review – Orange County Transportation Authority – Measure M2 Natural Community Conservation Plan/Habitat Conservation Plan – December 2013
- B. Pre-Draft Public Review – Orange County Transportation Authority – Environmental Impact Report/Environmental Impact Statement – Measure M2 Natural Community Conservation Plan/Habitat Conservation Plan – December 2013
- C. Environmental Mitigation Program Current and Anticipated Expenditures

Prepared by:



Dan Phu
Section Manager, Project Development
(714) 560-5907

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

If you are interested in viewing Attachments A and B, the document is 40 pages long and can be provided in a separate link upon request:

- A. Pre-Draft Public Review – Orange County Transportation Authority – Measure M2 Natural Community Conservation Plan/Habitat Conservation Plan – December 2013

- B. Pre-Draft Public Review – Orange County Transportation Authority – Environmental Impact Report/Environmental Impact Statement – Measure M2 Natural Community Conservation Plan/Habitat Conservation Plan – December 2013

ATTACHMENT C**Environmental Mitigation Program Current and Anticipated Expenditures**

Actions				Estimated Amount
1.0 Preserve Acquisition and Management				
1.1Acquisition				
1.1.1	Acquired			\$24,921,119
1.1.2	Future Acquisitions			\$7,362,361
			SUBTOTAL	\$32,283,480
1.2Start Up Expenditures				\$2,659,109
1.3Interim Preserve Management*				\$9,522,613
1.4Permanent, Non-Wasting Endowment				\$56,000,000
2.0 Restoration Projects				
2.1Round 1				\$5,362,500
2.2Round 2				\$4,716,080
2.2.7	Future			\$421,420
2.3Round 3 Future				\$5,000,000
2.4Round 4				\$5,000,000
3.0 Plan Development				
3.1NCCP/HCP Plan Development				\$2,500,000
4.0 Debt Service				
4.1Interests on Early Action Plan				\$37,197,937
		*Includes ten-year escalation		
		**Preliminary estimates subject to change		
			TOTAL	\$160,663,139**

*Information
Items*



COMMITTEE TRANSMITTAL

December 9, 2013

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Comprehensive Transportation Funding Programs Semi-Annual Review - September 2013

Regional Planning and Highways Committee Meeting of December 2, 2013

Present: Directors Bates, Donchak, Harper, Lalloway, Miller, Murray, Nelson, and Spitzer
Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendations

- A. Approve adjustments to the Comprehensive Transportation Funding Programs project allocations as presented.
- B. Approve two project delays for the cities of Fullerton and Santa Ana as presented.
- C. Approve the City of Lake Forest's Project S requests to delay the Panasonic Avionics Corporation Station Van Program and cancel the Invensys, Inc., Station Van Program as presented.



December 2, 2013

To: Regional Planning and Highways Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Comprehensive Transportation Funding Programs Semi-Annual Review – September 2013

Overview

The Orange County Transportation Authority recently completed the semi-annual review of projects funded through the Comprehensive Transportation Funding Programs. This process reviews the status of Measure M and Measure M2 grant-funded projects and provides an opportunity for local agencies to update project information and request project modifications. Recommended project adjustments are presented for review and approval.

Recommendations

- A. Approve adjustments to the Comprehensive Transportation Funding Programs project allocations as presented.
- B. Approve two project delays for the cities of Fullerton and Santa Ana as presented.
- C. Approve the City of Lake Forest's Project S requests to delay the Panasonic Avionics Corporation Station Van Program and cancel the Invensys, Inc., Station Van Program as presented.

Background

The Comprehensive Transportation Funding Programs (CTFP) is the mechanism the Orange County Transportation Authority (OCTA) uses to administer funding for street, road, signal, and water quality projects throughout Orange County. The CTFP contains a variety of funding programs and sources including Measure M (M1) and Measure M2 (M2) revenues, federal

Regional Surface Transportation Program funds, and State-Local Partnership Program (SLPP) funds. The CTFP provides local agencies with a comprehensive set of guidelines for administration and delivery of various transportation funding grants. Consistent with the CTFP guidelines, OCTA staff meets with representatives from local agencies to review the status of projects and proposed changes. This process is commonly referred to as the semi-annual review (SAR). The goals of the SAR process are to review project status, determine the continued viability of projects, address local agency issues, and ensure timely closeout of the M1 Streets and Roads Program.

Discussion

M1 Program Summary

Since 1991, OCTA has competitively awarded more than \$678.2 million in M1 funds to local agencies through the CTFP. These projects were programmed for fiscal year (FY) 1992-93 through FY 2010-11. Below is a summary of CTFP allocations using M1 funds (allocations in millions of dollars):

M1 CTFP Program Summary

Project Status	March 2013		September 2013	
	Project Phases	Allocations (prior to SAR adjustments)	Project Phases	Allocations (with SAR adjustments)
Started ¹	65	\$ 60.0	48	\$ 48.4
Pending ²	117	\$ 86.3	105	\$ 64.3
Completed ³	1,689	\$ 533.0	1,718	\$ 565.5
Total Allocations	1,871	\$ 679.3	1,871	\$ 678.2

In addition, 93 percent of M1 CTFP projects have been delivered (completed and pending). This is a two percent increase in project delivery compared to the prior review cycle, and local agencies indicated that 99 percent of M1 CTFP projects will be delivered by the end of the calendar year.

¹. Started indicates that the project is underway and the funds are obligated.

². Pending indicates that the project work is completed and the final report submittal/approval is pending.

³. Completed indicates that the project work is complete, final report approved, and final payment has been made.

This is consistent with prior commitments to close out the M1 CTFP (all payments issued) by December 2014, and evident by the lack of project adjustments requested during the SAR. Since the last SAR, staff identified \$1.1 million in bid savings. Consistent with prior Board of Directors (Board) action, the remaining M1 funds will be used to augment future M2 call for projects (call).

M2 Program Summary

Since the start of M2, OCTA has issued a number of calls and awarded \$178 million in competitive funds for the following programs: 1) M2 Regional Capacity Program (Project O), 2) Traffic Signal Synchronization Program (Project P), and 3) the Environmental Cleanup Program (Project X). Below is a summary of CTFP allocations using M2 funds (allocations in millions of dollars). Additional details are provided in Attachment A.

M2 CTFP Program Summary

Project Status	March 2013		September 2013	
	Project Phases	Allocations (prior to SAR adjustments)	Project Phases	Allocations (with SAR adjustments)
Planned ¹	155	\$ 133.6	97	\$ 72.3
Started ²	67	\$ 37.0	129	\$ 97.0
Pending ³	31	\$ 4.3	24	\$ 5.2
Completed ⁴	8	\$ 0.7	29	\$ 3.5
Total Allocations ⁵	261	\$ 175.6	279	\$ 178.0

This SAR captures additional allocations of \$2.8 million in new Project X (Tier 1) allocations, \$222,898 in project cancellations⁶, and \$212,212 in project savings. This review showed a substantial increase (\$60 million) in started projects, and a respectable \$8.7 million in delivered projects (pending and completed). Staff also worked diligently with local agencies to ensure 100 percent allocation of SLPP funds (\$24.3 million) by June 30, 2013, per the state’s deadline. SLPP funds were used to supplement M2 calls.

1. Planned indicates that the funds have not been obligated and/or are pending contract award.
2. Started indicates that the project is underway and the funds are obligated.
3. Pending indicates that the project work is completed and the final report submittal/approval is pending.
4. Completed indicates that the project work is complete, final report approved, and final payment has been made.
5. Allocation changes are the result of recently Board-approved 2013 programming actions and reductions for project cancellations at the request of local agencies.
6. During the March 2013 SAR, a \$131,936 allocation was cancelled, but not reflected until this SAR.

The M2 CTFP emphasizes the construction of regional transportation projects. Attachment B provides a map and list of projects that started construction in the last six month reporting period.

Project Adjustments

The September 2013 M2 CTFP SAR adjustments are itemized in Attachment C. The adjustments include two scope changes, two project delays, one transfer request, one phase cancellation, and two requests related to Project S, Transit Extensions to Metrolink. There are no M1 CTFP project adjustment requests. The Technical Advisory Committee approved the recommendations on October 9, 2013.

Scope Changes

The Euclid Street Signal Synchronization Project (La Habra Boulevard to Ellis Avenue) is a multi-jurisdictional project that extends from the City of La Habra, south to the City of Fountain Valley. As the lead agency for the project, the City of Fullerton (Fullerton) is requesting a scope change for the portion of the project in the City of Garden Grove (Garden Grove). Garden Grove is requesting to purchase additional licenses for the Centrac's central system software in lieu of purchasing controllers for the intersections within the city limits. The software will allow Garden Grove to connect the Euclid Street signals to Garden Grove's traffic management center. Field conditions indicated that centralizing communications was a higher priority to purchasing the new controllers. Garden Grove plans to purchase the new controllers at a later date.

The City of Tustin (Tustin) is requesting a scope modification for the Tustin Ranch Road Extension (Walnut Avenue to Warner Avenue). The current scope entails the construction of a connector ramp at the intersection of Tustin Ranch Road and Edinger Avenue because the two streets will not cross at grade. Tustin requests removing the proposed connector between Tustin Ranch Road and Edinger Avenue, and extending Valencia Avenue from Kensington Park Drive to Tustin Ranch Road. The connection between Tustin Ranch Road and Edinger Avenue will occur via Valencia Avenue and Kensington Park Drive. The scope modification will better utilize land along Tustin Ranch Road and will improve circulation on Edinger Avenue by eliminating an intersection within 1,500 feet of the intersection at Kensington Park Drive. Staff has determined that the use of SLPP funds will not be impacted by the scope change.

Delays

This SAR included two requests for project delays from Fullerton and the City of Santa Ana (Santa Ana). Delays are allowed in accordance with precept 35 of the CTFP Guidelines and require city council concurrence and OCTA Board approval.

Fullerton is requesting a 12-month delay for the Catch Basin Debris Screen Project to FY 2013-14. Fullerton's preferred installer for the automatic retractable screens was unable to complete the work, and Fullerton requests additional time to obtain new proposals from different companies. Fullerton received city council concurrence on October 1, 2013.

Santa Ana is requesting a 24-month delay for the Santa Ana Delhi Channel Diversion Project under the Environmental Cleanup Program (Tier II). The delay will allow Santa Ana to negotiate and execute cost sharing agreements with the cities of Newport Beach and Costa Mesa, as well as the County of Orange Flood Division. The delay will also allow for additional time to prepare engineering and construction documents. Santa Ana received city council concurrence on September 16, 2013.

Transfer

The City of Anaheim is requesting to transfer \$8,044 from the engineering to construction phase on the Katella Avenue Interchange Widening Project (Manchester Avenue to Anaheim Way). The transfer will cover additional construction management expenditures.

Cancellation

The City of Buena Park (Buena Park) is requesting cancellation of the Full Capture Installation Project, Phase II. Buena Park's original installer went out of business and Buena Park was unable to absorb cost increases from a new installer. Buena Park will re-apply for funding at a later date. The full allocation will be returned to the fund and re-programmed in a future call.

Project S

The City of Lake Forest (Lake Forest) is requesting two grant modifications related to Project S, Transit Extensions to Metrolink. Project S adjustments are administered through the SAR. Lake Forest is requesting a cancellation for the Invensys, Inc., Station Van Lease Project. The company is restructuring and

unable to contribute the required match for the project. Lake Forest is also requesting a delay for the Panasonic Avionics Corporation (Panasonic) Station Van Lease Program. Panasonic is unable to participate in the project at this time, but expects to receive approvals from the company's executive leadership for participation starting in July 2014.

Summary

The Orange County Transportation Authority has recently reviewed the status of grant-funded streets and roads projects funded through the Comprehensive Transportation Funding Programs. Staff recommends approval of the project adjustments requested by local agencies, including two delay requests, and the Project S requests by the City of Lake Forest. The next semi-annual review is currently scheduled for March 2014.

Attachments

- A. Comprehensive Transportation Funding Programs (Measure M2) – Allocations by Program
- B. Started Measure M2 Projects Since March 2013
- C. Comprehensive Transportation Funding Programs – Semi-Annual Review Adjustment Requests

Prepared by:



Paul Rumberger
Transportation Funding Analyst
(714) 560-5747

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741

**Comprehensive Transportation Funding Programs (Measure M2)
Allocations by Program**

Agency	ACE	ICE	FAST	SLPP	TSSP	ECP	Total
Aliso Viejo	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384,859	\$ 384,859
Anaheim	15,791,039	2,827,205	1,702,000	3,393,000	1,509,777	1,278,264	26,501,285
Brea	-	-	927,000	-	-	371,945	1,298,945
Buena Park	-	-	1,782,370	-	728,000	281,370	2,791,740
Costa Mesa	1,078,800	2,719,500	-	1,482,000	1,559,961	2,971,228	9,811,489
County of Orange	23,209,585	-	-	9,270,000	-	476,272	32,955,857
Cypress	27,398	-	-	-	-	165,090	192,488
Dana Point	-	-	-	-	-	542,662	542,662
Fountain Valley	-	-	-	-	-	197,553	197,553
Fullerton	2,448,016	-	-	-	3,119,936	99,966	5,667,918
Garden Grove	-	-	-	-	-	528,449	528,449
Huntington Beach	266,906	379,733	-	-	-	295,588	942,227
Irvine	1,721,703	187,934	105,000	-	4,736,326	3,373,105	10,124,068
La Habra	-	263,443	-	-	980,000	-	1,243,443
La Palma	-	-	-	-	-	66,277	66,277
Laguna Beach	-	165,830	-	-	-	400,000	565,830
Laguna Hills	371,513	-	-	-	190,742	197,215	759,470
Laguna Niguel	1,459,651	-	-	-	-	1,428,139	2,887,790
Laguna Woods	-	-	-	-	-	-	-
Lake Forest	1,231,444	-	-	-	-	196,000	1,427,444
Los Alamitos	-	-	-	-	-	-	-
Mission Viejo	4,124,387	-	-	2,479,291	-	446,000	7,049,678
Newport Beach	3,543,413	-	-	-	480,000	1,374,330	5,397,743
OCTA	-	-	-	-	15,481,974	-	15,481,974
Orange	-	155,000	1,400,000	-	-	286,075	1,841,075
Placentia	-	-	-	-	-	-	-
Rancho Santa Margarita	-	-	-	-	-	134,599	134,599
San Clemente	-	-	-	-	1,330,514	56,500	1,387,014
San Juan Capistrano	1,050,000	-	-	-	138,800	160,025	1,348,825
Santa Ana	18,822,782	-	-	3,120,000	1,350,506	3,071,218	26,364,506
Seal Beach	-	-	-	-	586,720	48,671	635,391
Stanton	-	-	-	-	-	120,000	120,000
Tustin	9,910,035	-	-	4,510,035	-	1,143,457	15,563,527
Villa Park	-	-	-	-	-	297,000	297,000
Westminster	1,029,413	-	-	-	-	272,500	1,301,913
Yorba Linda	2,165,730	-	-	-	-	73,095	2,238,825
Total	\$ 88,251,815	\$ 6,698,645	\$ 5,916,370	\$ 24,254,326	\$ 32,193,256	\$ 20,737,452	\$ 178,051,864

**Comprehensive Transportation Funding Programs (Measure M2)
Allocations by Status**

Agency	Planned	Started	Pending	Completed	Total
Aliso Viejo	\$ 195,104	\$ -	\$ -	\$ 189,755	\$ 384,859
Anaheim	731,867	25,000,931	587,250	181,237	26,501,285
Brea	200,000	927,000	-	171,945	1,298,945
Buena Park	1,744,441	965,800	-	81,499	2,791,740
Costa Mesa	2,872,560	6,839,301	-	99,628	9,811,489
County of Orange	20,420,000	11,670,000	789,585	76,272	32,955,857
Cypress	-	79,335	-	113,153	192,488
Dana Point	470,236	-	72,426	-	542,662
Fountain Valley	99,645	-	-	97,908	197,553
Fullerton	1,996,237	3,136,769	265,762	269,150	5,667,918
Garden Grove	-	500,000	-	28,449	528,449
Huntington Beach	610,427	298,800	33,000	-	942,227
Irvine	7,733,943	2,350,293	-	39,832	10,124,068
La Habra	55,200	1,188,243	-	-	1,243,443
La Palma	-	66,277	-	-	66,277
Laguna Beach	200,000	165,830	-	200,000	565,830
Laguna Hills	71,072	556,098	70,350	61,950	759,470
Laguna Niguel	1,369,781	1,459,651	-	58,358	2,887,790
Laguna Woods	-	-	-	-	-
Lake Forest	88,000	-	50,000	1,289,444	1,427,444
Los Alamitos	-	-	-	-	-
Mission Viejo	5,104,582	100,000	1,845,096	-	7,049,678
Newport Beach	859,310	4,380,483	-	157,950	5,397,743
OCTA	9,058,275	5,541,939	881,760	-	15,481,974
Orange	216,750	1,500,000	50,000	74,325	1,841,075
Placentia	-	-	-	-	-
Rancho Santa Margarita	134,599	-	-	-	134,599
San Clemente	58,464	1,272,050	-	56,500	1,387,014
San Juan Capistrano	1,050,000	298,825	-	-	1,348,825
Santa Ana	7,779,813	18,386,350	100,000	98,343	26,364,506
Seal Beach	624,720	-	-	10,671	635,391
Stanton	120,000	-	-	-	120,000
Tustin	6,379,956	9,020,070	63,501	100,000	15,563,527
Villa Park	200,000	-	97,000	-	297,000
Westminster	172,500	785,663	343,750	-	1,301,913
Yorba Linda	1,730,560	508,265	-	-	2,238,825
Total	\$ 72,348,042	\$ 96,997,973	\$ 5,249,480	\$ 3,456,369	\$ 178,051,864

Comprehensive Transportation Funding Programs (Measure M2)

Abbreviation	Meaning
ACE	Arterial Capacity Enhancements
ECP	Environmental Cleanup Program
FAST	Freeway Arterial/Street Transitions
ICE	Intersection Capacity Enhancements
SLPP	State-Local Partnership Program
TSSP	Traffic Signal Synchronization Program
OCTA	Orange County Transportation Authority

Definition	Meaning
Planned	Planned indicates that the funds have not been obligated and/or are pending contract award.
Started	Started indicates that the project is underway and the funds are obligated.
Pending	Pending indicates that the project work is completed and the final report submittal/approval is pending.
Completed	Completed indicates that the project work is complete, final report approved, and final payment has been made.



Started Measure M2 Projects Since March 2013



**Comprehensive Transportation Funding Programs
Started Measure M2 Projects Since March 2013**

Agency	Project Title	Phase	Fund	Allocation
Anaheim	Brookhurst Street Widening (Ball Road to Katella Avenue)	C	ACE	\$ 3,393,000
Anaheim	Brookhurst Street Widening (Ball Road to Katella Avenue)	C	SLPP	\$ 3,393,000
Anaheim	Brookhurst Street Widening (Interstate 5 to State Route 91 {SR-91})	R	ACE	\$ 10,495,539
Anaheim	Euclid Street Widening (Crescent Avenue to Westmont Drive)	C	ACE	\$ 715,000
Anaheim	Tustin Avenue/La Palma Avenue Intersection Widening	C	ICE	\$ 1,689,000
Anaheim	Katella Avenue (Manchester Avenue to Anaheim Way)	C	FAST	\$ 1,352,000
Anaheim	Lincoln Avenue Signal Synchronization (Knott Avenue to Imperial Highway)	M	TSSP	\$ 75,582
Anaheim	Brookhurst Street South Storm Swale	C	ECP	\$ 1,085,700
Buena Park	SR-91/Beach Boulevard Westbound Ramp Widening	E	FAST	\$ 308,000
Buena Park	Knott Avenue Signal Synchronization (Artesia Boulevard to Garden Grove Boulevard)	I	TSSP	\$ 377,800
Buena Park	Valley View Street Signal Synchronization	M	TSSP	\$ 67,200
Costa Mesa	Harbor Boulevard Widening (South Coast Drive to Sunflower Avenue)	C	ACE	\$ 748,800
Costa Mesa	Fairview Road/Wilson Street Intersection Widening	E	ICE	\$ 231,750
Costa Mesa	Harbor Boulevard/Adams Avenue Intersection Widening	C	ICE	\$ 1,482,000
Costa Mesa	Harbor Boulevard/Adams Avenue Intersection Widening	C	SLPP	\$ 1,482,000
Costa Mesa	Harbor Boulevard/Wilson Street Intersection Widening	C	ICE	\$ 273,000
Costa Mesa	17th Street Signal Synchronization (Whittier Avenue to Dover Drive)	I	TSSP	\$ 220,000
Costa Mesa	Baker Placentia Signal Synchronization (Mesa Verde East to Airway Avenue)	I	TSSP	\$ 519,000
Costa Mesa	Fairview Signal Synchronization (State Route 55 {SR-55} to State Route 22 {SR-22})	M	TSSP	\$ 49,296
Costa Mesa	Victoria Signal Synchronization (Santa Ana River to Irvine Avenue)	I	TSSP	\$ 200,000
County of Orange	Cow Camp Road (Antonio Parkway to I Street)	C	ACE	\$ 4,160,000
County of Orange	Cow Camp Road (Antonio Parkway to I Street)	C	SLPP	\$ 4,160,000
County of Orange	Catch Basin Screens, Phase II	C	ECP	\$ 100,000
Cypress	Automatic Retractable Screens Installation, Project No. I	C	ECP	\$ 79,335
Fullerton	Bastanchury Road Signal Synchronization (Malvern Avenue to Valley View Avenue)	M	TSSP	\$ 106,700
Fullerton	Brea Boulevard Signal Synchronization (Harbor Boulevard to Canyon Country)	I	TSSP	\$ 281,600
Fullerton	Commonwealth Avenue Signal Synchronization (Auto Center Drive to Nutwood Avenue)	I	TSSP	\$ 528,000
Fullerton	Euclid Street Corridor Traffic Signal Synchronization Project	M	TSSP	\$ 219,840
Fullerton	Lemon Street/Anaheim Boulevard Signal Synchronization (Berkeley Avenue to La Palma Avenue)	I	TSSP	\$ 246,400
Fullerton	Placentia Avenue Signal Synchronization (Bastanchury Road to State College Boulevard)	I	TSSP	\$ 334,400
Fullerton	Catch Basin Debris Screen	C	ECP	\$ 49,983
Garden Grove	Acacia Drip Irrigation, Phase I	C	ECP	\$ 100,000
Garden Grove	Acacia Drip Irrigation, Phase II	C	ECP	\$ 100,000
Garden Grove	Neison Drip Irrigation	C	ECP	\$ 100,000
Garden Grove	Stanford Drip Irrigation, Phase I	C	ECP	\$ 100,000
Garden Grove	Stanford Drip Irrigation, Phase II	C	ECP	\$ 100,000
Huntington Beach	Beach Boulevard 4th Northbound Through Lane	E	ACE	\$ 130,575
Irvine	Culver Drive Signal Synchronization (Portola Parkway to Jamboree Road)	I	TSSP	\$ 652,560
Irvine	Jamboree Road Signal Synchronization (Portola Parkway to MacArthur Boulevard)	M	TSSP	\$ 88,128

Comprehensive Transportation Funding Programs (M2)

Agency	Project Title	Phase	Fund	Allocation
Irvine	Jeffrey Road Signal Synchronization (Portola Parkway to Jamboree Road)	I	TSSP	\$ 302,320
Irvine	Campus Drive Irrigation Modification (University Drive to Stanford Court)	C	ECP	\$ 100,000
La Habra	La Habra Boulevard/Central Avenue/State College Boulevard Corridor	I	TSSP	\$ 404,800
Mission Viejo	La Paz Road Median Runoff Prevention (Christina Drive to Oso Creek Bridge)	C	ECP	\$ 100,000
Newport Beach	Newport Boulevard Widening (Via Lido to 30th Street)	E	ACE	\$ 225,000
Newport Beach	Newport Boulevard Widening (Via Lido to 30th Street)	R	ACE	\$ 3,048,413
Newport Beach	Balboa Coves Lifter Removal	C	ECP	\$ 49,125
Newport Beach	Dover Drive Lifter Removal	C	ECP	\$ 89,250
Newport Beach	Newport Dunes Lifter Removal (Newport Dunes to Newport Bay)	C	ECP	\$ 90,000
Newport Beach	Pelican Point Lifter Removal	C	ECP	\$ 82,500
OCTA	Ball Road Signal Synchronization (Holder Street to Tustin Street)	I	TSSP	\$ 606,136
OCTA	Crown Valley Parkway Signal Synchronization (Pacific Coast Highway (PCH) to Antonio Parkway)	M	TSSP	\$ 46,080
OCTA	Edinger Avenue Signal Synchronization (Bolsa Chica Street to SR-55)	I	TSSP	\$ 694,600
OCTA	First Street/Bolsa Avenue Signal Synchronization (Edwards Street to Newport Avenue)	I	TSSP	\$ 903,200
OCTA	Goldenwest Street Signal Synchronization (SR-22 to PCH)	M	TSSP	\$ 46,080
OCTA	Lake Forest Drive Signal Synchronization (Laguna Canyon Road to Rockfield Boulevard)	I	TSSP	\$ 108,975
OCTA	Los Alisos Boulevard Signal Synchronization (Paseo de Valencia to Altisima)	I	TSSP	\$ 309,261
OCTA	MacArthur Boulevard/Talbert Avenue Signal Synchronization (SR-55 to Shopping Center)	M	TSSP	\$ 41,600
OCTA	Marguerite Parkway Signal Synchronization (El Toro Road to Via Escolar)	M	TSSP	\$ 47,616
OCTA	Pacific Park/Oso Parkway Signal Synchronization (Aliso Viejo Parkway to State Route 241)	I	TSSP	\$ 465,756
OCTA	Santa Margarita Parkway Signal Synchronization (El Toro Road to Plano Trabuco Road)	I	TSSP	\$ 300,051
OCTA	Tustin Avenue/Rose Drive Signal Synchronization (1st Street to Yorba Linda Boulevard)	M	TSSP	\$ 68,800
OCTA	Warner Avenue Signal Synchronization (PCH to Red Hill Avenue)	M	TSSP	\$ 71,208
Orange	Savi Storm Drain Continuous Deflective Separation Unit	C	ECP	\$ 100,000
San Clemente	Avenida Pico Signal Synchronization (El Camino Real to Camino Celosia)	M	TSSP	\$ 42,336
San Clemente	Avenida Vista Hermosa Signal Synchronization (East/West Avenida Pico)	I	TSSP	\$ 273,600
San Clemente	Camino De Los Mares Signal Synchronization (Camino Mira Costa to Camino Vera Cruz)	I	TSSP	\$ 222,000
San Clemente	El Camino Real Signal Synchronization (Camino Capistrano to Avenida San Luis Rey)	M	TSSP	\$ 33,348
San Juan Capistrano	Del Obispo Street Signal Synchronization (Ortega Highway to PCH)	M	TSSP	\$ 47,520
San Juan Capistrano	Automatic Retractable Screens/Trash Removal, Phase I	C	ECP	\$ 99,832
San Juan Capistrano	Automatic Retractable Screens/Trash Removal, Phase II	C	ECP	\$ 60,193
Santa Ana	Bristol Street Widening (Washington Avenue to 17th Street)	R	ACE	\$ 11,152,575
Santa Ana	Warner Avenue Widening (Main Street to Oak Street)	E	ACE	\$ 323,775
Santa Ana	Maple Street Storm Drain Continuous Deflective Separation Unit	C	ECP	\$ 100,000
Westminster	Bolsa Chica Road (Duncannon Avenue to Old Bolsa Chica Road)	C	ACE	\$ 785,663
Yorba Linda	Yorba Linda Boulevard Irrigation Renovation (Village Center Drive to Paseo de Las Palomas)	C	ECP	\$ 73,095
Total				\$ 39,795,188 *

Note: ECP projects are not mapped.

*Project phases may remain "started" through multiple semi-annual review reporting periods or may start work and be delivered in a single reporting period. Page three of the staff report shows a \$60 million difference between reporting periods.

Comprehensive Transportation Funding Programs
 Started Measure M2 Projects Since March 2013

Abbreviation	Meaning
ACE	Arterial Capacity Enhancements
FAST	Freeway Arterial/Street Transitions
ICE	Intersection Capacity Enhancements
TSP or TSSP	Traffic Signal Synchronization Program
OCTA	Orange County Transportation Authority
I	Implementation
C	Construction
ECP	Environmental Cleanup Program
E	Engineering
R	Right-of-Way
M	Maintenance and Monitoring
SLPP	State-Local Partnership Program

**Comprehensive Transportation Funding Programs
Semi-Annual Review Adjustment Requests**

ATTACHMENT C

Agency	Project Number	Program	Project Title	Phase	Current FY	Months	Proposed FY	Original Amount	Action Request	Proposed Amount	Description
Scope Changes											
Fullerton	11-FULL-TSP-3550	TSSP	Euclid Street Signal Synchronization (La Habra Boulevard to Ellis Avenue)	I	11/12	N/A	N/A	\$ 780,160	SCOPE CHANGE	\$ 780,160	City is requesting a scope change (as lead) to use funding for Centracs central system software license in lieu of purchasing controllers in the City of Garden Grove.
Tustin	12-TUST-ACE-9004	ACE	Tustin Ranch Road Extension (Walnut Avenue to Warner Avenue)	C	12/13	N/A	N/A	\$ 4,510,035	SCOPE CHANGE	\$ 4,510,035	Eliminate connector from Tustin Ranch Road to Edinger Avenue on southeast corner. Construct Valencia Avenue from Kensington Park Drive to Tustin Ranch Road, connecting Tustin Ranch Road to Edinger Avenue via Valencia Avenue and Kensington Park Drive.
Tustin	12-TUST-ACE-9004	SLPP	Tustin Ranch Road Extension (Walnut Avenue to Warner Avenue)	C	12/13	N/A	N/A	\$ 4,510,035	SCOPE CHANGE	\$ 4,510,035	
Scope Changes - Total Phase Allocations (2)								\$ 9,800,230		\$ 9,800,230	
Delay											
Fullerton	12-FULL-ECP-3550	ECP	Catch Basin Debris Screen Project	I	12/13	12	13/14	\$ 49,983	DELAY	\$ 49,983	Delay to allow City of Fullerton to find new supplier. Original supplier unable to complete work. Delay: 12 months. Fullerton's City Council concurrence received on October 1, 2013.
Santa Ana	13-SNTA-ECP-3680	ECP	Santa Ana Delhi Channel Diversion Project	I	14/15	24	16/17	\$ 2,572,875	DELAY	\$ 2,572,875	Delay to allow City of Santa Ana to negotiate and enter into cost sharing agreements with the project partners and to prepare engineering/construction documents. Delay: 24 months. Santa Ana's City Council concurrence received on September 16, 2013.
Delays - Total Phase Allocations (2)								\$ 2,622,858		\$ 2,622,858	
Transfers											
Anaheim	11-ANAH-FST-9000	FAST	Katella Avenue (Manchester Avenue to Anaheim Way)	E	11/12	N/A	N/A	\$ 350,000	TRANSFER	\$ 341,956	Transfer \$8,044 from engineering to construction.
Anaheim	11-ANAH-FST-9000	FAST	Katella Avenue (Manchester Avenue to Anaheim Way)	C	12/13	N/A	N/A	\$ 1,352,000	TRANSFER	\$ 1,360,044	Transfer \$8,044 from engineering to construction.
Transfer - Total Phase Allocations (1)								\$ 1,702,000		\$ 1,702,000	
Cancellations											
Buena Park	12-BPRK-ECP-3606	ECP	Full Capture Installation Project, Phase II	I	12/13	N/A	N/A	\$ 90,962	CANCEL	\$ -	Original supplier went out of business. City unable to pay difference in costs of new supplier. Will re-apply for funding at future date.
Cancellation - Total Phase Allocations (1)								\$ 90,962		\$ -	
Project S											
Lake Forest	Transit Extensions to Metrolink	Project S	Panasonic Avionics Corporation Station Van Lease Project	I	12/13	12	13/14	\$ 149,467	DELAY	\$ 149,467	Company unable to participate until July 2014.
Lake Forest	Transit Extensions to Metrolink	Project S	Invensys, Inc., Station Van Lease Project	I	12/13	N/A	N/A	\$ 51,911	CANCEL	\$ -	Cancel due to company restructuring.
Project S - Total Phase Allocations (2)								\$ 201,378		\$ 149,467	

FY - Fiscal Year
TSSP - Traffic Signal Synchronization Project
I - Implementation
N/A - Not Applicable
ACE - Arterial Capacity Enhancements Program
C - Construction
SLPP - State-Local Partnership Program
ECP - Environmental Cleanup Program
FAST - Freeway Arterial/Street Transition
E - Engineering



COMMITTEE TRANSMITTAL

December 9, 2013

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Fiscal Year 2013-14 Measure M2 Annual Eligibility Review

Regional Planning and Highways Committee Meeting of December 2, 2013

Present: Directors Bates, Donchak, Harper, Lalloway, Miller, Murray,
Nelson, and Spitzer
Absent: None

Committee Vote

This item was passed by the Members present.

Committee Recommendation

Approve all local jurisdictions as conditionally-eligible for Measure M2 net revenues for fiscal year 2013-14, and direct staff to return with eligibility findings for local jurisdictions pending adoption and submittal of fiscal year 2012-13 expenditure reports by local agencies.



December 2, 2013

To: Regional Planning and Highways Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Fiscal Year 2013-14 Measure M2 Annual Eligibility Review

Overview

Measure M2 requires all local jurisdictions in Orange County to annually satisfy eligibility requirements in order to receive competitive Measure M2 funding. Fiscal year 2013-14 eligibility documentation has been reviewed by staff and the Taxpayer's Oversight Committee, and is presented for Board of Directors' review and approval.

Recommendation

Approve all local jurisdictions as conditionally-eligible for Measure M2 net revenues for fiscal year 2013-14, and direct staff to return with eligibility findings for local jurisdictions pending adoption and submittal of fiscal year 2012-13 expenditure reports by local agencies.

Background

Local jurisdictions are required to satisfy Measure M2 (M2) eligibility requirements on an annual basis to remain eligible to receive fair share and competitive grant net revenues. The 13 requirements include:

- Congestion Management Program (CMP)
- Mitigation Fee Program (MFP)
- Local Signal Synchronization Plan (LSSP)
- Pavement Management Plan (PMP; submitted every other year)
- Expenditure report
- Circulation element
- Capital Improvement Program
- Participation in traffic forums
- Maintenance of effort declaration
- Consideration of land-use planning strategies that accommodate transit and non-motorized transportation

- Timely use of local fair share revenues
- No supplanting of funds
- Timely submittal of project final reports

Local jurisdictions are required to submit eligibility packages annually. The Taxpayers Oversight Committee (TOC) is responsible for reviewing five of the eligibility requirements, and designates the Annual Eligibility Review (AER) subcommittee to review the CMP, MFP, LSSP, PMP, and expenditure report with support from Orange County Transportation Authority (OCTA) staff. The remaining eight eligibility items are reviewed by OCTA staff.

Discussion

Each local jurisdiction submitted the applicable eligibility documentation by the June 30 deadline. OCTA staff reviewed the submittals to ensure each eligibility package was complete and accurate. Staff forwarded the appropriate eligibility items to the TOC for further review. On September 12, 2013, the AER subcommittee reviewed PMP certifications for odd-numbered year agencies, and the CMPs and MFPs for all agencies.

The AER subcommittee presented recommendations of eligibility compliance to the TOC on October 8, 2013. The TOC found the local jurisdictions to be in compliance with Ordinance No. 3, and recommended conditional eligibility approval for fiscal year (FY) 2013-14, pending the review of expenditure reports due in December 2013. The eligibility review and findings for FY 2013-14 M2 eligibility are summarized in Attachment A. The detailed CMP review summary is provided in Attachment B, and the PMP summary is provided in Attachment C.

Next Steps

M2 eligibility for FY 2013-14 is conditional, pending review and approval of the expenditure reports for FY 2012-13. All local jurisdictions must adopt an annual expenditure report that tracks financial activity for M2 funds, including interest earned, developed traffic impact fees, and funds expended by the jurisdiction that satisfy maintenance of effort requirements. Upon review by staff and TOC, expenditure reports will be presented to the Board of Directors for an eligibility finding in spring 2014. The City of Huntington Beach's (City) expenditure report will be submitted in fall 2014 with the eligibility findings for FY 2014-15 since the City's FY is from October 1 through September 30 of each year.

Summary

All local jurisdictions in Orange County have submitted FY 2013-14 eligibility packages that are consistent with Ordinance No. 3. The TOC reviewed and approved the appropriate documentation, and all local jurisdictions meet the eligibility requirements for FY 2013-14.

Attachments


- A. Fiscal Year 2013-14 Measure M2 Eligibility Summary
- B. Fiscal Year 2013-14 Measure M2 Eligibility Congestion Management Program Summary
- C. Fiscal Year 2013-14 Measure M2 Eligibility Pavement Management Plan Summary

Prepared by:



Associate Transportation
Funding Analyst
(714) 560-5905

Approved by:



Executive Director, Planning
(714) 560-5741

Fiscal Year 2013-14 Measure M2 Eligibility Summary

Agency	Eligibility Checklist	CIP Adoption	CIP Hardcopy	MOE Benchmark	MOE Declared	MOE Documents	Mitigation Fee	Planning Strategies	LSSP	Traffic Forum
Aliso Viejo	Satisfactory	Confirmed	Satisfactory	\$ 400,000	\$ 400,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Anaheim	Satisfactory	Confirmed	Satisfactory	\$ 7,496,000	\$ 7,945,493	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Brea	Satisfactory	Confirmed	Satisfactory	\$ 703,000	\$ 1,184,833	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Buena Park	Satisfactory	Confirmed	Satisfactory	\$ 3,526,282	\$ 4,626,260	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Costa Mesa	Satisfactory	Confirmed	Satisfactory	\$ 5,980,000	\$ 6,475,584	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
County of Orange	Satisfactory	Confirmed	Satisfactory	\$ -	N/A	N/A	Satisfactory	Satisfactory	N/A	Satisfied
Cypress	Satisfactory	Confirmed	Satisfactory	\$ 2,670,215	\$ 5,607,319	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Dana Point	Satisfactory	Confirmed	Satisfactory	\$ 942,000	\$ 1,700,088	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Fountain Valley	Satisfactory	Confirmed	Satisfactory	\$ 1,149,000	\$ 1,914,552	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Fullerton	Satisfactory	Confirmed	Satisfactory	\$ 3,083,000	\$ 5,262,823	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Garden Grove	Satisfactory	Confirmed	Satisfactory	\$ 2,732,000	\$ 5,871,668	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Huntington Beach	Satisfactory	Confirmed	Satisfactory	\$ 4,510,000	\$ 9,592,910	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Irvine	Satisfactory	Confirmed	Satisfactory	\$ 5,112,000	\$ 18,113,861	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
La Habra	Satisfactory	Confirmed	Satisfactory	\$ 1,297,000	\$ 2,415,740	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
La Palma	Satisfactory	Confirmed	Satisfactory	\$ 156,000	\$ 1,047,880	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Laguna Beach	Satisfactory	Confirmed	Satisfactory	\$ 1,358,000	\$ 2,807,709	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Laguna Hills	Satisfactory	Confirmed	Satisfactory	\$ 268,106	\$ 1,701,181	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Laguna Niguel	Satisfactory	Confirmed	Satisfactory	\$ 691,000	\$ 2,949,783	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Laguna Woods	Satisfactory	Confirmed	Satisfactory	\$ 77,769	\$ 77,769	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Lake Forest	Satisfactory	Confirmed	Satisfactory	\$ 140,000	\$ 1,401,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Los Alamitos	Satisfactory	Confirmed	Satisfactory	\$ 136,000	\$ 663,339	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Mission Viejo	Satisfactory	Confirmed	Satisfactory	\$ 2,150,000	\$ 3,876,765	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied

Fiscal Year 2013-14 Measure M2 Eligibility Summary

Agency	Eligibility Checklist	CIP Adoption	CIP Hardcopy	MOE Benchmark	MOE Declared	MOE Documents	Mitigation Fee	Planning Strategies	LSSP	Traffic Forum
Newport Beach	Satisfactory	Confirmed	Satisfactory	\$ 8,229,000	\$ 12,416,780	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Orange	Satisfactory	Confirmed	Satisfactory	\$ 2,205,000	\$ 3,546,752	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Placentia	Satisfactory	Confirmed	Satisfactory	\$ 546,000	\$ 546,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Rancho Santa Margarita	Satisfactory	Confirmed	Satisfactory	\$ 350,000	\$ 350,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
San Clemente	Satisfactory	Confirmed	Satisfactory	\$ 951,000	\$ 4,576,151	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
San Juan Capistrano	Satisfactory	Confirmed	Satisfactory	\$ 353,000	\$ 1,785,302	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Santa Ana	Satisfactory	Confirmed	Satisfactory	\$ 6,753,031	\$ 7,656,370	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Seal Beach	Satisfactory	Confirmed	Satisfactory	\$ 505,000	\$ 749,424	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Stanton	Satisfactory	Confirmed	Satisfactory	\$ 172,000	\$ 207,723	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Tustin	Satisfactory	Confirmed	Satisfactory	\$ 1,119,535	\$ 1,250,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Villa Park	Satisfactory	Confirmed	Satisfactory	\$ 263,000	\$ 457,000	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Westminster	Satisfactory	Confirmed	Satisfactory	\$ 1,284,000	\$ 2,224,103	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Yorba Linda	Satisfactory	Confirmed	Satisfactory	\$ 1,933,000	\$ 3,169,089	Satisfactory	Satisfactory	Satisfactory	N/A	Satisfied
Totals	35	35	35	\$ 69,240,938	\$ 124,571,251	35	35	35	35	35

**Fiscal Year 2013-14 Measure M2 Eligibility
Congestion Management Program Summary**

Jurisdiction	Level of Service			Deficiency Plan	Land Use Analysis	Capital Improvement Program	2013 Compliance
	Not Applicable (N/A)**	Consistent	Consistent				
Aliso Viejo *	N/A	Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Anaheim		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Brea		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Buena Park		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Costa Mesa		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Cypress		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Dana Point		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Fountain Valley *	N/A**	Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Fullerton		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Garden Grove		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Huntington Beach		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Irvine		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
La Habra		Consistent	Consistent	N/A	Applied	Provided	Satisfactory
La Palma*	N/A**	Consistent	Consistent	N/A	Applied	Provided	Satisfactory
Laguna Beach		Consistent	Consistent	N/A	Applied	Provided	Satisfactory

**Fiscal Year 2013-14 Measure M2 Eligibility
Congestion Management Program Summary**

Jurisdiction	Level of Service			Deficiency Plan	Land Use Analysis	Capital Improvement Program	2013 Compliance
	Consistent	N/A	Applied				
Laguna Hills	Consistent	N/A	Applied	Provided	Satisfactory		
Laguna Niguel	Consistent	N/A	Applied	Provided	Satisfactory		
Laguna Woods	Consistent	N/A	Applied	Provided	Satisfactory		
Lake Forest	Consistent	N/A	Applied	Provided	Satisfactory		
Los Alamitos	Consistent	N/A	Applied	Provided	Satisfactory		
Mission Viejo	Consistent	N/A	Applied	Provided	Satisfactory		
Newport Beach	Consistent	N/A	Applied	Provided	Satisfactory		
Orange	Consistent	N/A	Applied	Provided	Satisfactory		
Placentia	Consistent	N/A	Applied	Provided	Satisfactory		
Rancho Santa Margarita *	N/A**	N/A	Applied	Provided	Satisfactory		
San Clemente *	N/A**	N/A	Applied	Provided	Satisfactory		
San Juan Capistrano	Consistent	N/A	Applied	Provided	Satisfactory		
Santa Ana	Consistent	N/A	Applied	Provided	Satisfactory		
Seal Beach *	N/A**	N/A	Applied	Provided	Satisfactory		
Stanton	Consistent	N/A	Applied	Provided	Satisfactory		

**Fiscal Year 2013-14 Measure M2 Eligibility
Congestion Management Program Summary**

Jurisdiction	Level of Service	Deficiency Plan	Land Use Analysis	Capital Improvement Program	2013 Compliance
Tustin	Consistent	N/A	Applied	Provided	Satisfactory
Villa Park *	N/A**	N/A	Applied	Provided	Satisfactory
Westminster	Consistent	N/A	Applied	Provided	Satisfactory
Yorba Linda *	N/A**	N/A	Applied	Provided	Satisfactory
County of Orange*	Consistent	N/A	Applied	Provided	Satisfactory

I certify that the information contained in this table is an accurate representation of materials submitted to the Orange County Transportation Authority for the purposes of meeting Measure M2 eligibility requirements related to the Congestion Management Program.

Edward Alegre
Congestion Management Program Project Manager, Orange County Transportation Authority

* No Congestion Mitigation Program intersections within jurisdiction
 ** Non-Congestion Mitigation Program intersections are still subject to general plan level-of-service standards

Fiscal Year 2013-14 Measure M2 Eligibility
Pavement Management Plan Summary

Agency	Current PCI			Projected PCI				7 Year R&R Plan						Funding Scenarios			Software	Certification Form
	Network	MPAH	Local	Network	MPAH	Local	Limits	Areas	Class	PCI	Inspection Date	Treatment		7 Years Current Budget	7 Years Maintain existing Network PCI	7 Years Improve Network PCI		
												Type	Cost Year					
Anaheim	F	F	F	P	F	P	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Brea	G	G	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
County of Orange	F	F	G	F	F	F	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Cypress	VG	VG	VG	VG	VG	VG	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Dana Point	G	G	G	VG	VG	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Irvine	G	VG	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Lake Forest	G	G	G	F	F	F	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
La Habra	G	G	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Los Alamitos	F	F	F	P	P	P	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Newport Beach	G	G	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
San Clemente	G	G	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
San Juan Capistrano	F	G	F	F	F	F	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Stanton	G	VG	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	
Tustin	G	VG	G	G	G	G	✓	✓	✓	✓	✓	✓	✓	✓	✓	Micro	✓	

Abbreviations	Pavement Quality	PCI Thresholds
VG	Very Good	86-100
G	Good	75-85
F	Fair	60-74
P	Poor	41-59
VP	Very Poor	0-40

PCI Pavement Condition Index
R&R Road Maintenance & Rehabilitation
MPAH Master Plan of Arterial Highways
QA/QC Quality Assurance/Quality Control



COMMITTEE TRANSMITTAL

January 27, 2014

To: Members of the Board of Directors
From: Wendy Knowles, ^{Wk} Clerk of the Board
Subject: Fourth Quarter 2013 Debt and Investment Report

Finance and Administration Committee Meeting of January 22, 2014

Present: Directors Bates, Hennessey, Lalloway, Moorlach, Pulido
Spitzer, and Ury
Absent: Director Jones

Committee Vote

This item was passed by the Members present.

Director Pulido was not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



January 22, 2014

To: Finance and Administration Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Fourth Quarter 2013 Debt and Investment Report

A handwritten signature in black ink, appearing to read "Kenneth R. Johnson for", is written over the "To:" and "From:" lines of the header.

Overview

The California Government Code authorizes the Orange County Transportation Authority Treasurer to submit a quarterly investment report detailing the investment activity for the period. This investment report covers the fourth quarter of 2013, October through December, and includes a discussion on the Orange County Transportation Authority's debt portfolio.

Recommendation

Receive and file the Quarterly Debt and Investment Report prepared by the Treasurer as an information item.

Discussion

The Treasurer is currently managing the Orange County Transportation Authority's (OCTA) investment portfolio totaling \$1.17 billion as of December 31, 2013. The portfolio is divided into three managed portfolios: the liquid portfolio for immediate cash needs, bond proceeds portfolio to meet Measure M2 (M2) transportation program needs, and the short-term portfolio for future budgeted expenditures. In addition to these portfolios, OCTA has funds invested in debt service reserve funds for the 91 Express Lanes.

OCTA's debt portfolio had an outstanding principal balance of \$495.6 million as of December 31, 2013. Approximately 75 percent of the outstanding balance is comprised of M2 debt and 25 percent is associated with the 91 Express Lanes program.

Economic Summary: The first reports of the new year suggest that the United States (U.S.) economy ended 2013 on a solid note. Growth in economic indices in the areas of manufacturing, employment, and consumer confidence reflect a strengthening economy. Complementing the current national growth,

the European economy continues to stabilize which increases the demand for U.S. exports. The wealth effect from rising home prices and equity values is fueling consumer confidence which has led to increases in spending and business investment. This is evidenced in the revised third quarter Gross Domestic Product measure of 3.6 percent, up from the previously reported 2.8 percent level.

The December Federal Open Market Committee (Fed) concluded with the announcement of its much anticipated plan to begin tapering asset purchases in January 2014. Purchases of both U.S. Treasuries and Mortgage-backed securities will be reduced by \$5 billion each with the January Fed activity.

The Fed combined this announcement with a further strengthening of its “forward guidance” strategy towards the Fed Funds rate. The Fed particularly stressed the differences between asset purchases and the timing of Fed “tightening” (in the form of raising short-term borrowing rates) in an effort to avoid a sharp negative response by the bond market. The Fed continues to hold rates at near-zero levels until “well past” the time that the unemployment rate declines below 6.5 percent, especially if projected inflation continues to run below the two percent level.

Debt Portfolio Activity: During the quarter, there was no debt portfolio activity. The outstanding balances for each of OCTA’s debt securities are presented in Attachment A.

Investment Portfolio Compliance: Logan Circle Partners, one of OCTA’s two bond proceeds portfolio managers, had a higher money market balance than allowable in the investment policy at month end. The manager held the higher balance because OCTA had an upcoming withdrawal from the bond proceeds portfolio and instructed the managers to remain liquid. The portfolio returned to full compliance on January 2, 2014.

OCTA continues its policy of reviewing the contents of the investment portfolio on a daily basis to ensure compliance. Attachment B provides a comparison of the portfolio holdings as of December 31, 2013, to the diversification guidelines of the policy.

Investment Portfolio Performance Versus Selected Benchmarks: OCTA’s investment managers provide OCTA and its financial advisor, Sperry Capital, with monthly performance reports. The investment managers' performance reports calculate monthly total rates of return based upon the market value of the portfolios they manage at the beginning of the month versus the market value at the end of the month. The market value of the portfolio at the end of

the month includes the actual value of the portfolio based upon prevailing market conditions, as well as the interest income accrued during the month.

OCTA has calculated the total returns for each of the investment managers for short-term operating monies and has compared the returns to specific benchmarks as shown in Attachment C. Attachment D contains an annualized total return performance comparison by investment manager for the previous two years. Attachment E provides a two-year yield comparison between the short-term portfolio managers, the Orange County Investment Pool, and the Local Agency Investment Fund.

The returns for OCTA's short-term operating monies are compared to the Bank of America Merrill Lynch (BAML) 1-3 year Treasury Index benchmark. The BAML 1-3 year Treasury Index is one of the most commonly used short-term fixed-income benchmarks. Each of the four managers invests in a combination of securities that all conform to OCTA's 2013 Annual Investment Policy. For the quarter ending December 31, 2013, the weighted average total return for OCTA's short-term portfolio was 0.15 percent, 9 basis points above the benchmark return of 0.06 percent. For the 12-month period ending December 31, 2013, the portfolio's return totaled 0.46 percent, ten basis points above the benchmark return of 0.36 percent for the same period.

The returns for OCTA's bond proceeds portfolio are compared to a customized benchmark comprised of treasury securities that match the projected draw schedule. Each of the two managers invest in a combination of securities that all conform to OCTA's 2013 Annual Investment Policy. For the quarter ending December 31, 2013, the weighted average total return for OCTA's bond proceeds portfolio was 0.05 percent, 10 basis points above the benchmark return of -0.05 percent. For the 12-month period ending December 31, 2013, the portfolio's return totaled 0.22 percent, 25 basis points above the benchmark return of -0.03 percent for the same period.

Longer-dated treasury security yields rose during the quarter with the Fed tapering announcement. The majority of the movement was in the five to ten year part of the curve where most of the Fed asset-purchasing occurs. Conversely, treasuries one year and shorter finished with slightly lower yields due to traditional year-end demand combined with investors wanting to stay short in anticipation of rising rates. Notes in the two and three year range, where much of OCTA's funds are invested, experienced a sell-off resulting in yields rising ten and 22 basis points respectively during December.

A complete listing of all securities is provided in Attachment G. Each portfolio contains a description of the security, maturity date, book value, market value, and book yield provided by Clearwater Analytics.

Cash Availability for the Next Six Months: OCTA has reviewed the cash requirements for the next six months. It has been determined that the liquid and the short-term portfolios can fund all projected expenditures during the next six months.

Summary

As required under the California Government Code, the Orange County Transportation Authority is submitting its quarterly debt and investment report to the Board of Directors. The investment report summarizes the Orange County Transportation Authority's Treasury activities for the period October 2013 through December 2013.

Attachments

- A. Orange County Transportation Authority Outstanding Debt December 31, 2013.
- B. Orange County Transportation Authority Investment Policy Compliance December 31, 2013.
- C. Orange County Transportation Authority Short-term Portfolio Performance Review Quarter Ending December 31, 2013.
- D. Orange County Transportation Authority Short-term Portfolio Performance December 31, 2013.
- E. Orange County Transportation Authority Comparative Yield Performance December 31, 2013.
- F. Investment Manager Diversification and Maturity Schedules December 31, 2013.
- G. Orange County Transportation Authority Portfolio Listing as of December 31, 2013.

Prepared by:



Rodney Johnson
Deputy Treasurer
Treasury Public Finance
714-560-5675

Approved by:



Andrew Oftelie
Executive Director,
Finance and Administration
714-560-5649

**Orange County Transportation Authority
Outstanding Debt
December 31, 2013**

Orange County Local Transportation Authority (OCLTA) - M2 Program

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2008 Tax-Exempt Commercial Paper	\$ 100,000,000	\$ 25,000,000	2014
2010 Series B Sales Tax Revenue Tax-Exempt Bonds	\$ 59,030,000	\$ 52,620,000	2020
2010 Series A Sales Tax Revenue Taxable Bonds	\$ 293,540,000	\$ 293,540,000	2041
Sub-total	\$ 452,570,000	\$ 371,160,000	

91 Express Lanes

	<u>Issued</u>	<u>Outstanding</u>	<u>Final Maturity</u>
2013 OCTA 91 Express Lanes Refunding Bonds	\$ 124,415,000	\$ 124,415,000	2030

TOTAL OUTSTANDING BALANCE

\$ 495,575,000

ORANGE COUNTY TRANSPORTATION AUTHORITY
Investment Policy Compliance
December 31, 2013

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	\$520,608,408	44.6%	100%
Federal Agencies & U.S. Government Sponsored	154,099,233	13.2%	100%
State of California & Local Agencies	4,278,370	0.4%	25%
Money Market Funds & Mutual Funds	116,638,693	10.0%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	38,000,000	3.3%	30%
Commercial Paper	13,299,306	1.1%	25%
Medium Term Maturity Corporate Securities	194,988,599	16.7%	30%
Mortgage and Asset-backed Securities	66,497,406	5.7%	10%
Repurchase Agreements	20,242,363	1.7%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund	10,113,873	0.9%	\$ 40 Million
Orange County Investment Pool	886,297	0.1%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	28,683,748	2.5%	30%
Debt Service Reserve Funds - Investment Agreements	0	0.0%	Not Applicable
Bank Deposits	86,031	0.0%	5%
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	<u>\$1,168,422,328</u>	100.0%	

**Orange County Transportation Authority
Short-term Portfolio Performance Review*
Quarter Ending December 31, 2013**

Month Ending	Merrill Lynch Treasury 1-3 Year Index Benchmark		JP Morgan		Payden & Rygel		Western Asset Mgmt		State Street Global Advisors	
	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration	Monthly Return	Duration
10/31/2013	0.10%	1.89 years	0.19%	1.85 years	0.13%	1.79 years	0.17%	1.78 years	0.19%	1.82 years
11/30/2013	0.09%	1.91 years	0.11%	1.82 years	0.13%	1.76 years	0.10%	1.71 years	0.12%	1.83 years
12/31/2013	-0.14%	1.91 years	-0.20%	1.80 years	-0.11%	1.74 years	-0.13%	1.70 years	-0.11%	1.87 years
Oct 13 - Dec 13 Total Return	0.06%		0.09%		0.15%		0.14%		0.20%	

HISTORICAL QUARTERLY RETURNS

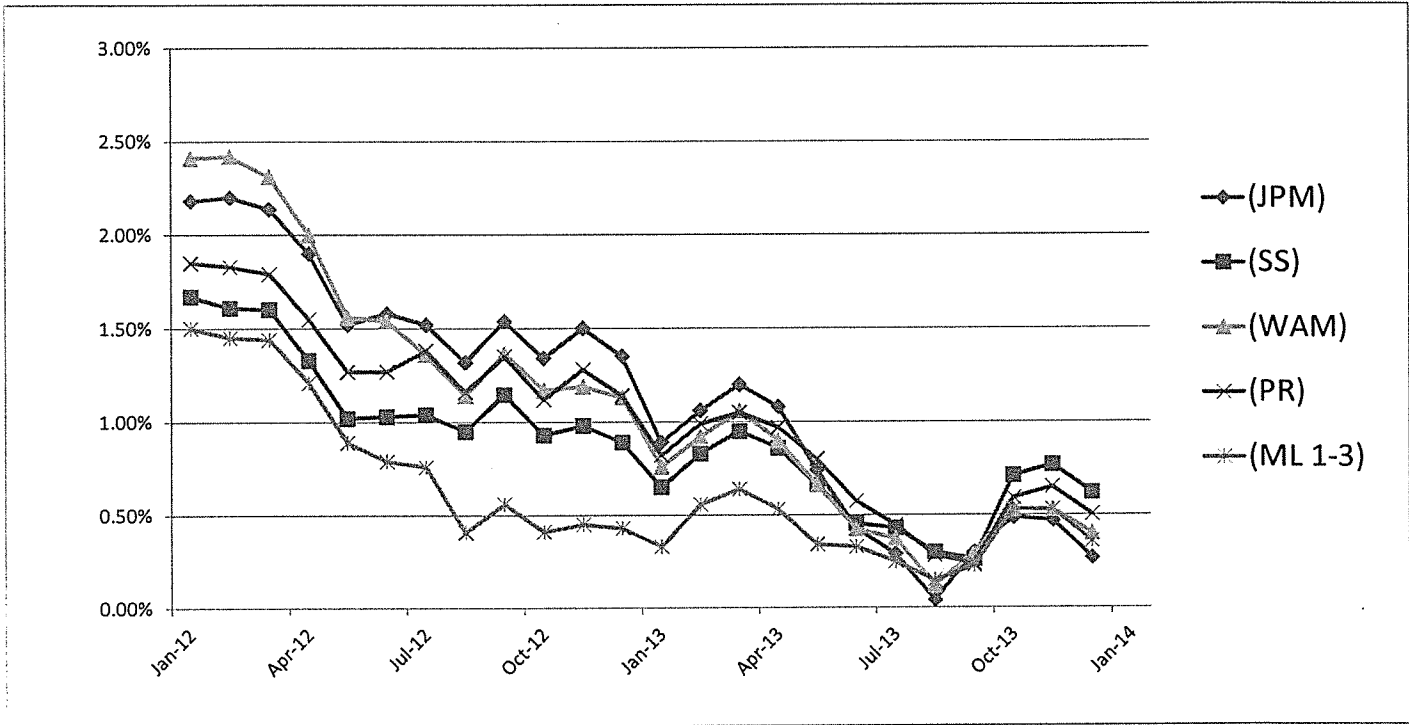
Jan 13 - Mar 13 Total Return	0.12%	0.20%	0.21%	0.17%	0.23%
Apr 13 - Jun 13 Total Return	-0.11%	-0.39%	-0.22%	-0.31%	-0.25%
Jul 13 - Sep 13 Total Return	0.29%	0.36%	0.37%	0.40%	0.45%
Oct 13 - Dec 13 Total Return	0.06%	0.09%	0.15%	0.14%	0.20%
12-Month Total Return	0.36%	0.27%	0.50%	0.40%	0.62%

* - Month End Rates of Return are Gross of Fees

12-Mo Total Return (Net of Fees)	N/A	0.12%	0.37%	0.26%	0.48%
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Orange County Transportation Authority Short-Term Portfolio Performance December 31, 2013

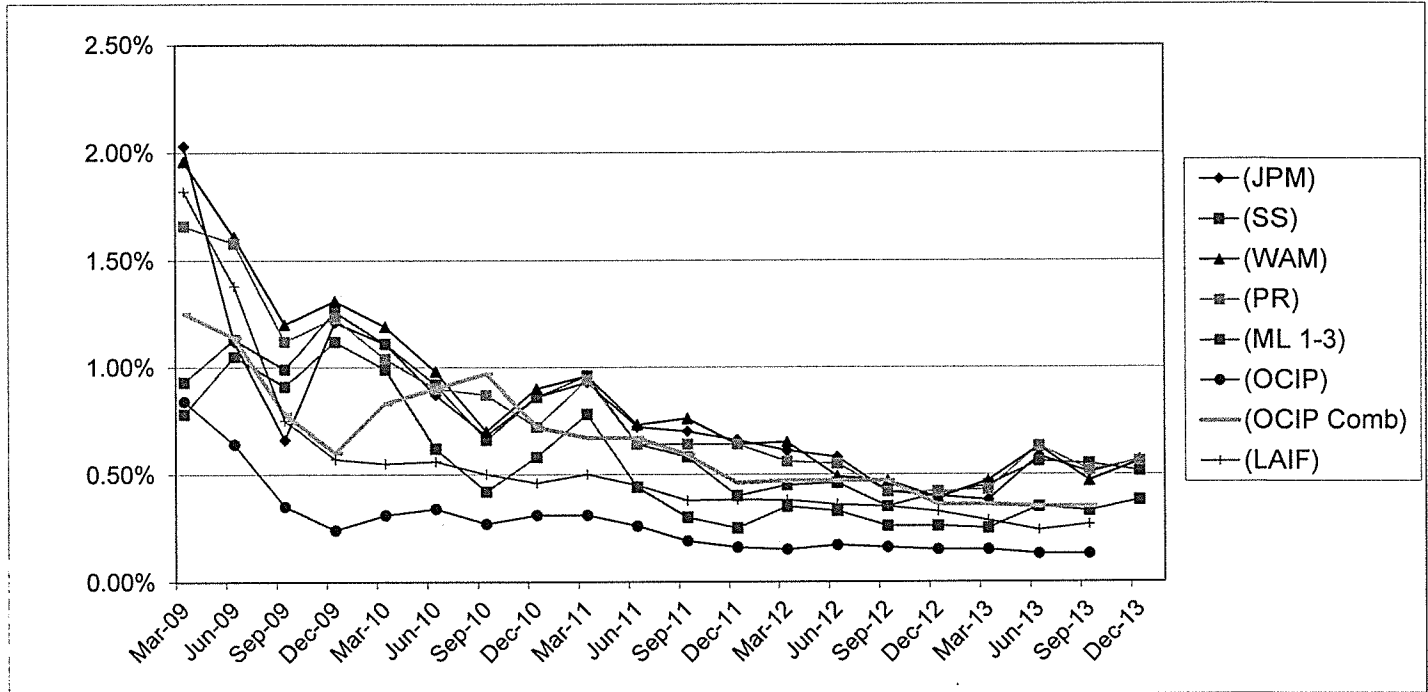
**Trailing 1-Year Total Return
Vs. The Merrill Lynch 1-3 Treasury Benchmark**



	JP Morgan <u>(JPM)</u>	State Street <u>(SS)</u>	Western Asset Mgmt <u>(WAM)</u>	Payden Rygel <u>(PR)</u>	Merrill Lynch 1-3 Yr <u>(ML 1-3)</u>
Jan-12	2.18%	1.67%	2.41%	1.85%	1.50%
Feb-12	2.20%	1.61%	2.42%	1.83%	1.45%
Mar-12	2.14%	1.60%	2.31%	1.79%	1.44%
Apr-12	1.90%	1.33%	2.00%	1.55%	1.21%
May-12	1.52%	1.02%	1.56%	1.27%	0.89%
Jun-12	1.58%	1.03%	1.54%	1.27%	0.79%
Jul-12	1.52%	1.04%	1.36%	1.38%	0.76%
Aug-12	1.32%	0.95%	1.14%	1.16%	0.41%
Sep-12	1.54%	1.15%	1.37%	1.35%	0.56%
Oct-12	1.34%	0.93%	1.17%	1.12%	0.41%
Nov-12	1.50%	0.98%	1.19%	1.28%	0.45%
Dec-12	1.35%	0.89%	1.13%	1.14%	0.43%
Jan-13	0.89%	0.65%	0.76%	0.82%	0.33%
Feb-13	1.06%	0.83%	0.92%	0.99%	0.56%
Mar-13	1.20%	0.95%	1.06%	1.05%	0.64%
Apr-13	1.08%	0.86%	0.90%	0.97%	0.53%
May-13	0.74%	0.66%	0.66%	0.80%	0.34%
Jun-13	0.43%	0.45%	0.42%	0.57%	0.33%
Jul-13	0.29%	0.43%	0.37%	0.45%	0.25%
Aug-13	0.04%	0.30%	0.12%	0.28%	0.15%
Sep-13	0.30%	0.26%	0.29%	0.24%	0.23%
Oct-13	0.49%	0.71%	0.53%	0.59%	0.53%
Nov-13	0.47%	0.77%	0.53%	0.65%	0.53%
Dec-13	0.27%	0.62%	0.40%	0.50%	0.36%

Orange County Transportation Authority Comparative Yield Performance December 31, 2013

**Historical Yields
Vs. The Merrill Lynch 1-3 Treasury Benchmark**

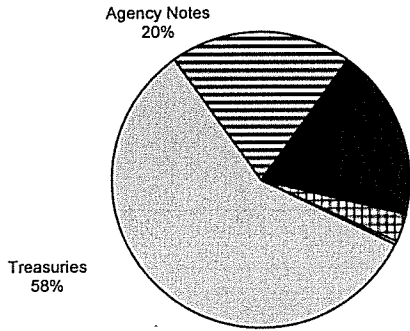


	JP Morgan (JPM)	State Street (SS)	Western Asset Mgmt (WAM)	Payden Rygel (PR)	Merrill Lynch 1-3 Yr (ML 1-3)	(OCIP)	(OCIP Comb)	(LAIF)
Mar-09	2.03%	0.93%	1.96%	1.66%	0.78%	0.84%	1.25%	1.82%
Jun-09	1.12%	1.13%	1.61%	1.58%	1.05%	0.64%	1.14%	1.38%
Sep-09	0.66%	0.99%	1.20%	1.12%	0.91%	0.35%	0.78%	0.75%
Dec-09	1.21%	1.26%	1.31%	1.23%	1.12%	0.24%	0.60%	0.57%
Mar-10	1.11%	1.11%	1.19%	1.04%	0.99%	0.31%	0.83%	0.55%
Jun-10	0.87%	0.92%	0.98%	0.90%	0.62%	0.34%	0.90%	0.56%
Sep-10	0.68%	0.66%	0.70%	0.87%	0.42%	0.27%	0.97%	0.50%
Dec-10	0.86%	0.86%	0.90%	0.72%	0.58%	0.31%	0.72%	0.46%
Mar-11	0.93%	0.96%	0.96%	0.94%	0.78%	0.31%	0.67%	0.50%
Jun-11	0.72%	0.64%	0.73%	0.64%	0.44%	0.26%	0.67%	0.45%
Sep-11	0.70%	0.58%	0.76%	0.64%	0.30%	0.19%	0.59%	0.38%
Dec-11	0.66%	0.40%	0.64%	0.64%	0.25%	0.16%	0.46%	0.38%
Mar-12	0.61%	0.45%	0.65%	0.56%	0.35%	0.15%	0.47%	0.38%
Jun-12	0.58%	0.46%	0.49%	0.55%	0.33%	0.17%	0.47%	0.36%
Sep-12	0.42%	0.35%	0.47%	0.42%	0.26%	0.16%	0.47%	0.35%
Dec-12	0.40%	0.41%	0.39%	0.42%	0.26%	0.15%	0.36%	0.33%
Mar-13	0.38%	0.45%	0.47%	0.43%	0.25%	0.15%	0.36%	0.29%
Jun-13	0.59%	0.56%	0.63%	0.63%	0.35%	0.13%	0.35%	0.24%
Sep-13	0.51%	0.55%	0.47%	0.52%	0.33%	0.13%	0.35%	0.27%
Dec-13	0.57%	0.52%	0.56%	0.56%	0.38%	N/A	N/A	N/A

Investment Manager Diversification and Maturity Schedules

JP Morgan
December 31, 2013

SHORT-TERM PORTFOLIO (\$229.2 M)



Medium Term Notes 19%

Mortg. & Asset-Back Sec. 3%

Treasuries
 Agency Notes
 Medium Term Notes
 Mortg. & Asset-Back Sec.
 Money Market Funds

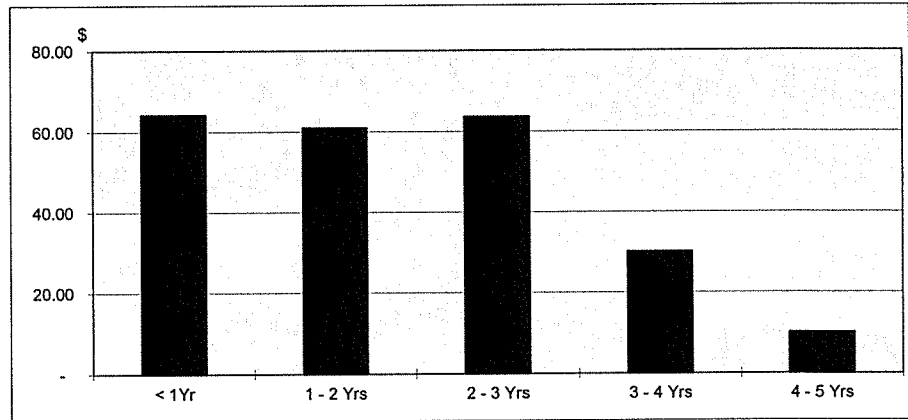
	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$132,929,271	\$131,504,603
Agency Notes	45,290,290	44,200,934
Medium Term Notes	43,080,466	42,162,961
Mortg. & Asset-Back Sec.	7,160,159	7,113,105
Money Market Funds	<u>749,404</u>	<u>749,404</u>
	<u>\$229,209,591</u>	<u>\$225,731,008</u>

Wtd Avg Life 1.84 Yrs
 Duration 1.80 Yrs

Quarter-end Yield 0.57%
 Benchmark Comparison 0.38%

Quarter Return 0.09%
 Benchmark Comparison 0.06%

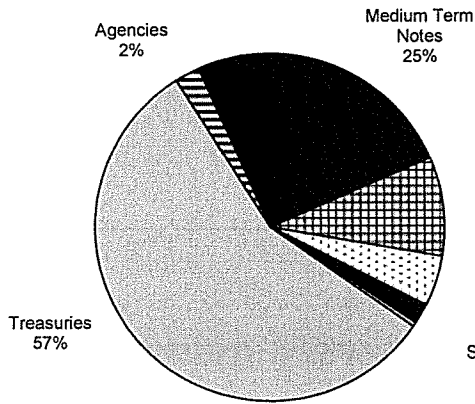
12 Month Return 0.27%
 Benchmark Comparison 0.36%



Investment Manager Diversification and Maturity Schedules

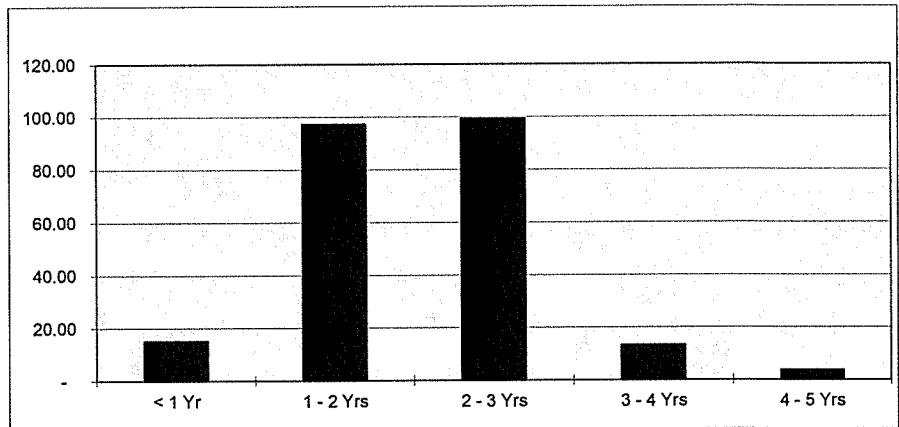
Payden & Rygel
December 31, 2013

SHORT-TERM PORTFOLIO (\$228.9 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$128,907,925	\$128,422,892
Agencies	5,237,934	5,253,346
Medium Term Notes	57,608,287	57,215,715
Mortg. & Asset-Back Sec.	21,115,205	20,901,965
Variable & Floating Rate	10,730,365	10,766,372
State & Local Agencies	4,278,370	4,248,770
Bank Deposit	86,031	86,031
Money Market Funds	<u>943,184</u>	<u>943,184</u>
	<u>\$228,907,302</u>	<u>\$227,838,275</u>

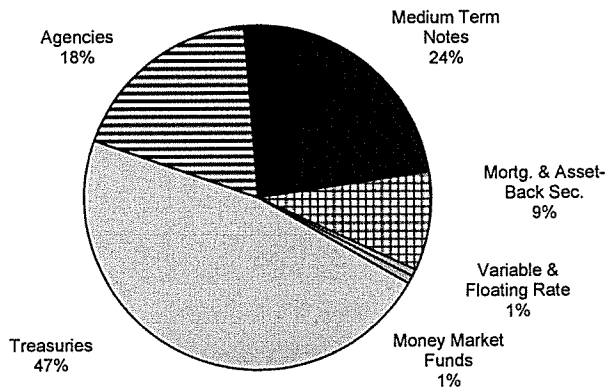
Wtd Avg Life	1.88 Yrs
Duration	1.74 Yrs
Quarter-end Yield	0.56%
Benchmark Comparison	0.38%
Quarter Return	0.15%
Benchmark Comparison	0.06%
12 Month Return	0.50%
Benchmark Comparison	0.36%



Investment Manager Diversification and Maturity Schedules

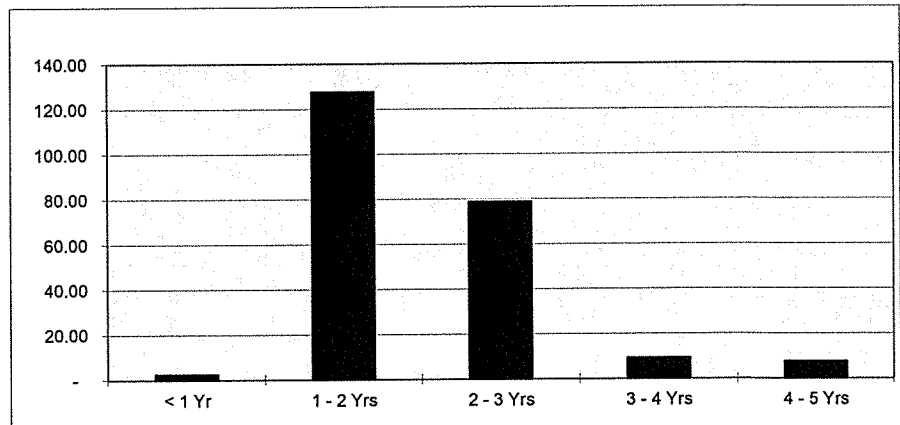
State Street
December 31, 2013

SHORT-TERM PORTFOLIO (\$225.7 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$106,347,380	\$106,391,131
Agencies	41,375,379	41,229,420
Medium Term Notes	53,802,647	53,830,148
Mortg. & Asset-Back Sec.	20,962,586	20,995,622
Variable & Floating Rate	1,500,000	1,514,985
Money Market Funds	<u>1,749,554</u>	<u>1,749,554</u>
	<u>\$225,737,545</u>	<u>\$225,710,859</u>

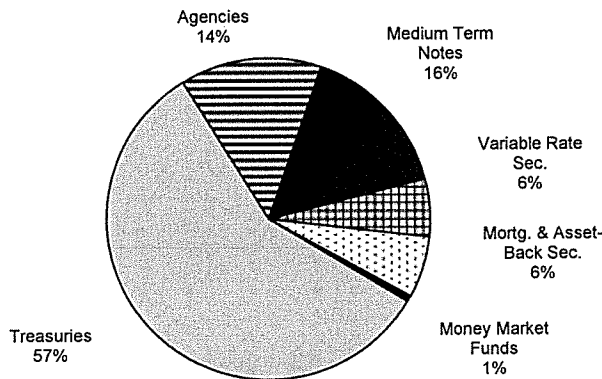
Wtd Avg Life	1.91 Yrs
Duration	1.87 Yrs
Quarter-end Yield	0.52%
Benchmark Comparison	0.38%
Quarter Return	0.20%
Benchmark Comparison	0.06%
12 Month Return	0.62%
Benchmark Comparison	0.36%



Investment Manager Diversification and Maturity Schedules

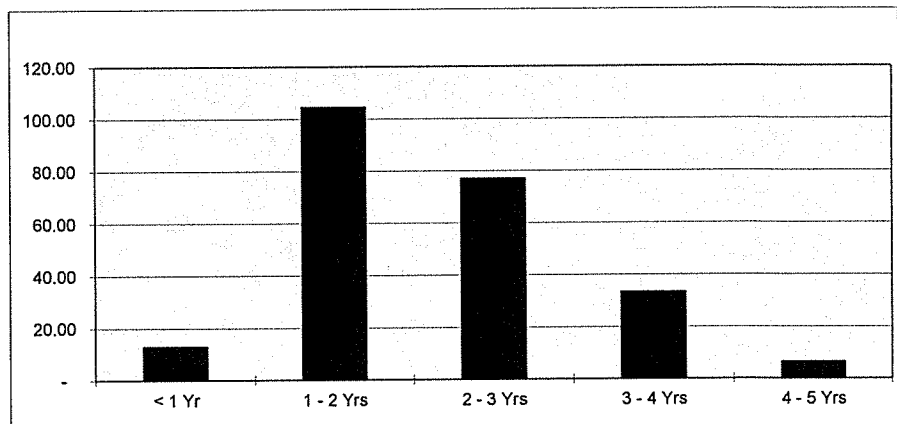
Western Asset Management December 31, 2013

SHORT-TERM PORTFOLIO (\$234.0 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$134,755,963	\$135,051,833
Agencies	\$33,133,884	32,871,196
Medium Term Notes	36,661,440	36,590,507
Variable Rate Sec.	13,583,722	13,620,118
Mortg. & Asset-Back Sec.	14,449,065	14,327,288
Money Market Funds	1,456,417	1,456,417
	<u>\$234,040,490</u>	<u>\$233,917,359</u>

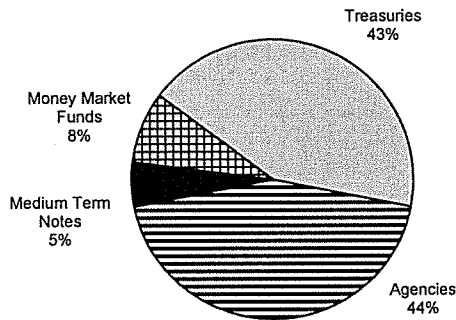
Wtd Avg Life	1.93 Yrs
Duration	1.70 Yrs
Quarter-end Yield	0.56%
Benchmark Comparison	0.38%
Quarter Return	0.14%
Benchmark Comparison	0.06%
12 Month Return	0.40%
Benchmark Comparison	0.36%



Investment Manager Diversification and Maturity Schedules

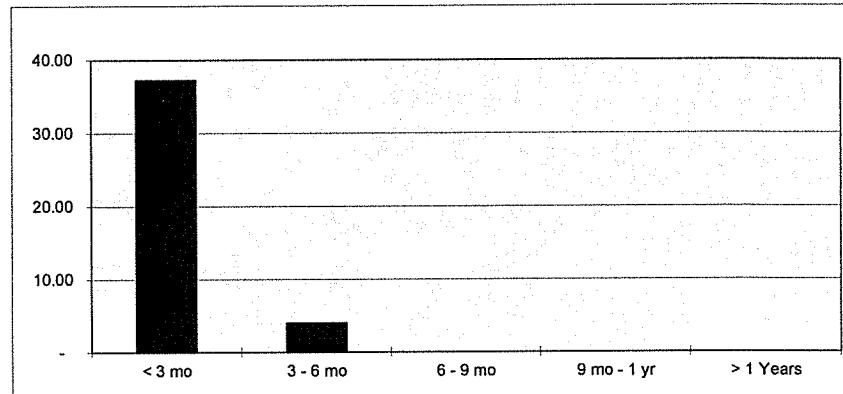
Cutwater
December 31, 2013

BOND PROCEEDS PORTFOLIO (\$41.2 M)



	<u>Book Value</u>	<u>Market Value</u>
Treasuries	\$ 17,667,869	\$17,621,152
Agencies	18,044,339	18,005,480
Medium Term Notes	2,116,630	2,014,840
Money Market Funds	<u>3,396,499</u>	<u>3,396,499</u>
	<u>\$ 41,225,336</u>	<u>\$ 41,037,971</u>

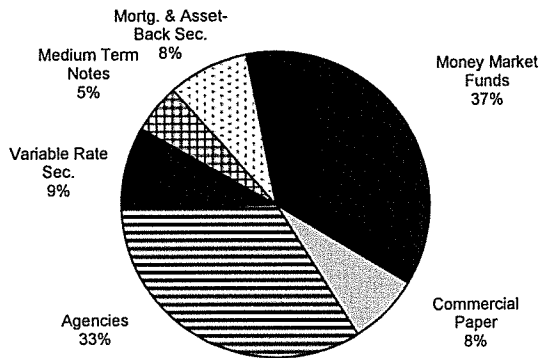
Wtd Avg Life	0.17 Yrs
Duration	0.17 Yrs
Quarter-end Yield	0.12%
Benchmark Comparison	-0.02%
Quarter Return	0.02%
Benchmark Comparison	-0.05%
12 Month Return	0.17%
Benchmark Comparison	-0.03%



Investment Manager Diversification and Maturity Schedules

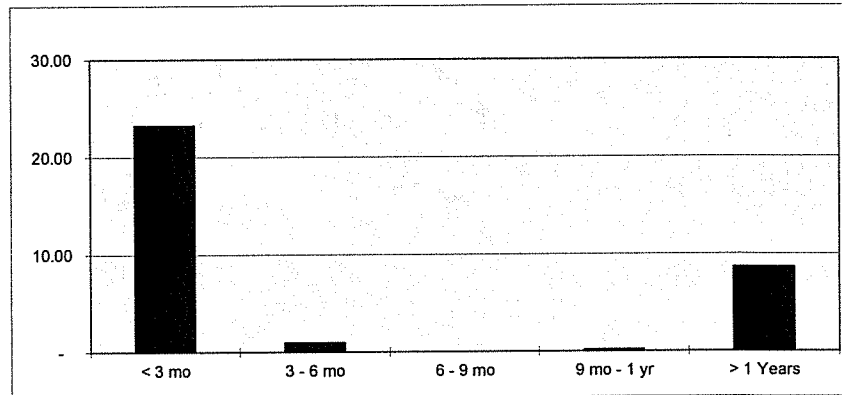
Logan Circle
December 31, 2013

BOND PROCEEDS PORTFOLIO (\$33.0 M)



	<u>Book Value</u>	<u>Market Value</u>
Commercial Paper	\$2,498,859	\$2,499,607
Agencies	11,017,408	10,935,055
Variable Rate Sec.	2,869,661	2,863,117
Medium Term Notes	1,719,130	1,702,772
Mortg. & Asset-Back Sec.	2,810,391	2,805,743
Money Market Funds	<u>12,078,782</u>	<u>12,078,782</u>
	<u>\$32,994,231</u>	<u>\$32,885,075</u>

Wtd Avg Life	0.44 Yrs
Duration	0.26 Yrs
Quarter-end Yield	0.27%
Benchmark Comparison	-0.02%
Quarter Return	0.09%
Benchmark Comparison	-0.05%
12 Month Return	0.28%
Benchmark Comparison	-0.03%



**Orange County Transportation Authority
Portfolio Listing
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LIQUID PORTFOLIO

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
<u>CASH EQUIVALENTS</u>				
BANK OF THE WEST NEGOTIABLE CD	1/6/2014	25,000,000.00	25,000,000.00	0.05%
REPURCHASE AGREEMENT	1/2/2014	20,242,362.91	20,242,362.91	0.05%
FEDERATED PRIME OBLIGATIONS FUND	N/A	25,452,980.80	25,452,980.80	0.09%
FIDELITY PRIME OBLIGATIONS FUND	N/A	70,744,000.79	70,744,000.79	0.05%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	55.58	55.58	0.01%
GOLDMAN SACHS FINANCIAL GOVT FUND	N/A	66,736.63	66,736.63	0.01%
<i>SUB-TOTAL</i>		<u>141,506,136.71</u>	<u>141,506,136.71</u>	
<u>LOCAL AGENCY INVESTMENT FUND (LAIF)</u>	N/A	10,113,873.02	10,113,873.02	N/A
<u>ORANGE COUNTY INVESTMENT POOL (OCIP)</u>	N/A	886,296.91	886,296.91	N/A
LIQUID PORTFOLIO - TOTAL		<u>\$ 152,506,306.64</u>	<u>\$ 152,506,306.64</u>	

BOND PROCEEDS PORTFOLIO

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
<u>CASH EQUIVALENTS / COMMERCIAL PAPER</u>				
FIDELITY PRIME OBLIGATIONS FUND	N/A	15,475,280.53	15,475,280.53	0.00%
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	01/10/2014	499,705.56	499,967.50	0.26%
THE COCA-COLA COMPANY	03/10/2014	999,703.61	999,721.00	0.15%
UNION BANK, NATIONAL ASSOCIATION	1/14/2014	999,450.00	999,918.00	0.23%
<i>SUB-TOTAL</i>		<u>17,974,139.70</u>	<u>17,974,887.03</u>	
<u>U.S. GOVERNMENT & AGENCY OBLIGATIONS</u>				
FANNIE DISCOUNT NOTE	01/08/2014	5,000,000.00	5,000,000.00	0.00%
FANNIE MAE	02/13/2017	3,003,690.00	2,998,260.00	1.02%
FARMER MAC	02/04/2014	1,379,862.00	1,353,307.50	0.45%
FARMER MAC	03/25/2014	3,000,660.00	3,000,360.00	0.18%
FED HOME LN DISCOUNT NT	04/25/2014	3,998,288.89	3,999,240.00	0.06%
FEDERAL FARM CREDIT BANK	01/23/2014	3,005,760.00	3,000,390.00	0.14%
FEDERAL HOME LOAN BANK	03/14/2014	1,020,090.00	1,004,490.00	0.16%
FREDDIE MAC	02/25/2014	2,945,286.85	2,920,334.45	0.15%
FREDDIE MAC	02/25/2014	3,039,630.00	3,005,490.00	0.15%
FREDDIE MAC	03/21/2016	1,328,961.75	1,327,040.50	0.31%
FREDDIE MAC	01/23/2017	1,339,517.48	1,331,622.60	0.25%
TREASURY BILL	03/06/2014	4,998,563.89	4,999,540.00	0.05%
US TREASURY N/B	03/31/2014	3,135,359.38	3,112,462.00	0.12%
US TREASURY N/B	03/31/2014	1,525,195.31	1,506,030.00	0.12%
US TREASURY N/B	03/31/2014	5,005,468.75	5,001,950.00	0.09%
US TREASURY N/B	3/31/2014	3,003,281.25	3,001,170.00	0.09%
<i>SUB-TOTAL</i>		<u>46,729,615.55</u>	<u>46,561,687.05</u>	
<u>MEDIUM TERM NOTES</u>				
CISCO SYSTEMS INC	3/14/2014	760,612.50	751,905.00	0.37%
GOLDMAN SACHS GROUP INC	1/15/2014	1,041,250.00	1,001,520.00	1.21%
PHILIP MORRIS INTL INC	3/17/2014	1,075,380.00	1,013,320.00	0.55%
UBS AG STAMFORD CT	1/28/2014	508,040.00	500,645.00	0.52%
WACHOVIA CORP	2/15/2014	450,477.44	450,222.08	0.80%
<i>SUB-TOTAL</i>		<u>3,835,759.94</u>	<u>3,717,612.08</u>	

**Orange County Transportation Authority
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VARIABLE RATE NOTES

CREDIT SUISSE NEW YORK	1/14/2014	503,756.50	500,140.00	0.49%
CREDIT SUISSE NEW YORK	1/14/2014	402,804.00	400,112.00	0.49%
E.I. DU PONT DE NEMOURS	3/25/2014	680,720.12	680,720.80	0.21%
METLIFE INSTITUTIONAL FD	4/4/2014	952,380.70	952,052.00	0.32%
NATIONAL RURAL UTIL COOP	5/27/2016	330,000.00	330,092.40	0.48%
SUB-TOTAL		<u>2,869,661.32</u>	<u>2,863,117.20</u>	

MORTGAGE AND ASSET-BACK SECURITIES

AMXCA 2009-2 A	3/15/2017	152,296.88	151,124.55	0.23%
AMXCA 2009-2 A	3/15/2017	503,671.88	503,748.50	0.23%
AMXCA 2009-2 A	3/15/2017	242,325.00	241,799.28	0.23%
FG P60083	12/1/2014	3,335.07	3,255.78	4.37%
FG P60083	12/1/2014	260.18	267.79	5.97%
GEEMT 2012-1 A2	1/22/2015	49,720.49	49,711.91	0.39%
GEEST 2012-1A A2	11/21/2014	127,003.23	126,987.75	0.47%
GEET 2012-1 A3	11/23/2015	18,098.64	18,132.65	0.51%
GEET 2012-1 A3	11/23/2015	272,857.85	271,989.77	0.51%
GN 781068	7/15/2014	5,864.22	5,380.03	4.29%
HAROT 2011-1 A4	4/17/2017	369,902.81	367,867.81	0.41%
HAROT 2012-2 A2	11/17/2014	23,856.26	23,834.36	0.29%
HAROT 2012-2 A2	11/17/2014	34,077.70	34,049.09	0.29%
JDOT 2012-B A2	2/17/2015	56,307.03	56,291.18	0.39%
JDOT 2012-B A2	2/17/2015	241,274.64	241,169.08	0.39%
TAOT 2012-B A3	7/15/2016	99,859.38	100,018.80	0.44%
TAOT 2012-B A3	7/15/2016	589,723.44	590,110.92	0.44%
TAOT 2012-B A3	7/15/2016	19,956.25	20,003.76	0.44%
SUB-TOTAL		<u>2,810,390.94</u>	<u>2,805,743.01</u>	

BOND PROCEEDS PORTFOLIO - TOTAL

\$ 74,219,567.45 \$ 73,923,046.37

SHORT-TERM PORTFOLIO

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
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CASH EQUIVALENTS

BANK DEPOSITS	N/A	86,030.94	86,030.94	0.00%
BLACKROCK INSTITUTIONAL FUNDS	N/A	4,898,558.77	4,898,558.77	0.00%
SUB-TOTAL		<u>4,984,589.71</u>	<u>4,984,589.71</u>	

U.S. GOVERNMENT & AGENCY OBLIGATIONS

FANNIE MAE	5/15/2014	309,677.70	302,625.00	0.15%
FANNIE MAE	5/15/2014	592,990.80	605,250.00	0.15%
FANNIE MAE	12/19/2014	2,999,838.00	3,016,170.00	0.19%
FANNIE MAE	12/19/2014	3,119,906.40	3,136,816.80	0.19%
FANNIE MAE	4/15/2015	4,558,884.00	4,242,400.00	0.29%
FANNIE MAE	4/15/2015	1,137,362.00	1,060,600.00	0.29%
FANNIE MAE	5/27/2015	199,692.60	200,530.00	0.31%
FANNIE MAE	7/2/2015	5,014,115.00	5,011,950.00	0.34%
FANNIE MAE	7/2/2015	2,992,110.00	3,007,170.00	0.34%
FANNIE MAE	7/28/2015	827,195.20	825,288.00	0.36%
FANNIE MAE	8/27/2015	2,001,875.00	2,000,500.00	0.29%
FANNIE MAE	10/15/2015	677,679.60	642,300.00	0.41%
FANNIE MAE	10/15/2015	1,472,215.50	1,445,175.00	0.41%
FANNIE MAE	10/26/2015	518,058.50	510,925.00	0.42%
FANNIE MAE	10/26/2015	5,188,175.00	5,109,250.00	0.42%
FANNIE MAE	3/8/2016	523,765.00	515,970.00	0.53%
FANNIE MAE	3/15/2016	1,043,640.00	1,037,090.00	0.56%
FANNIE MAE	3/30/2016	2,996,580.00	2,996,760.00	0.55%

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FANNIE MAE	3/30/2016	3,457,054.46	3,457,262.12	0.55%
FANNIE MAE	3/30/2016	1,383,421.10	1,383,504.20	0.55%
FANNIE MAE	3/30/2016	1,153,019.10	1,152,753.68	0.55%
FANNIE MAE	3/30/2016	2,247,435.00	2,247,570.00	0.55%
FANNIE MAE	4/11/2016	5,325,000.00	5,208,300.00	0.53%
FANNIE MAE	7/5/2016	445,073.40	446,881.50	0.65%
FANNIE MAE	9/28/2016	450,418.95	456,426.00	0.72%
FANNIE MAE	11/15/2016	403,993.60	406,712.00	0.78%
FANNIE MAE	12/15/2016	589,210.00	559,280.00	0.81%
FANNIE MAE	1/30/2017	1,014,261.00	1,012,030.00	0.85%
FANNIE MAE	1/30/2017	810,556.00	809,624.00	0.85%
FANNIE MAE	4/27/2017	201,672.00	200,778.00	1.01%
FEDERAL FARM CREDIT BANK	4/17/2014	496,855.00	503,635.00	0.15%
FEDERAL FARM CREDIT BANK	7/7/2014	515,680.00	507,520.00	0.17%
FEDERAL HOME LOAN BANK	3/14/2014	3,101,760.00	3,013,470.00	0.16%
FEDERAL HOME LOAN BANK	4/17/2014	1,103,460.00	1,013,940.00	0.33%
FEDERAL HOME LOAN BANK	5/12/2014	682,735.20	612,696.00	0.22%
FEDERAL HOME LOAN BANK	6/13/2014	2,081,680.00	2,021,120.00	0.15%
FEDERAL HOME LOAN BANK	3/13/2015	680,132.50	653,973.80	0.25%
FEDERAL HOME LOAN BANK	3/13/2015	3,181,080.00	3,089,640.00	0.25%
FEDERAL HOME LOAN BANK	3/11/2016	2,446,625.00	2,429,904.00	0.53%
FEDERAL HOME LOAN BANK	3/11/2016	4,348,200.00	4,225,920.00	0.53%
FEDERAL HOME LOAN BANK	6/24/2016	4,985,775.00	4,983,050.00	0.51%
FREDDIE MAC	1/30/2014	1,220,736.00	1,104,158.00	0.45%
FREDDIE MAC	2/25/2014	1,992,574.00	2,003,660.00	0.15%
FREDDIE MAC	8/20/2014	1,007,740.00	1,005,210.00	0.18%
FREDDIE MAC	8/27/2014	708,675.10	704,067.00	0.11%
FREDDIE MAC	12/5/2014	364,941.60	365,569.40	0.18%
FREDDIE MAC	12/29/2014	2,493,175.00	2,510,800.00	0.19%
FREDDIE MAC	4/17/2015	3,689,936.00	3,712,099.00	0.25%
FREDDIE MAC	4/17/2015	4,986,400.00	5,016,350.00	0.25%
FREDDIE MAC	8/28/2015	6,006,426.18	6,012,120.00	0.38%
FREDDIE MAC	9/10/2015	5,205,075.00	5,116,600.00	0.37%
FREDDIE MAC	4/18/2016	1,038,708.00	996,993.00	0.52%
FREDDIE MAC	5/13/2016	7,010,234.00	6,991,530.00	0.55%
FREDDIE MAC	5/27/2016	419,306.80	418,636.00	0.55%
FREDDIE MAC	5/27/2016	334,835.48	340,141.75	0.55%
FREDDIE MAC	5/27/2016	1,031,249.00	1,046,590.00	0.55%
FREDDIE MAC	8/25/2016	1,033,230.00	1,034,110.00	0.70%
FREDDIE MAC	8/25/2016	517,140.00	517,055.00	0.70%
FREDDIE MAC	8/25/2016	321,244.63	320,574.10	0.70%
FREDDIE MAC	8/25/2016	515,047.00	517,055.00	0.70%
FREDDIE MAC	8/25/2016	196,775.40	196,480.90	0.70%
FREDDIE MAC	8/25/2016	6,321,780.00	6,204,660.00	0.70%
FREDDIE MAC	5/12/2017	354,775.75	352,401.00	1.04%
NCUA GUARANTEED NOTES	6/12/2015	988,623.90	1,005,275.70	0.33%
TSY INFL IX N/B	4/15/2014	1,803,657.54	1,778,241.60	-0.96%
TSY INFL IX N/B	1/15/2015	2,058,268.33	2,017,982.40	-1.24%
US TREASURY N/B	2/15/2014	2,649,707.03	2,511,625.00	0.27%
US TREASURY N/B	2/15/2014	1,602,304.69	1,506,975.00	0.27%
US TREASURY N/B	2/15/2014	365,821.87	360,493.20	0.15%
US TREASURY N/B	2/15/2014	199,125.00	200,274.00	0.15%
US TREASURY N/B	2/15/2014	300,247.10	300,411.00	0.15%
US TREASURY N/B	2/15/2014	150,293.47	150,205.50	0.15%
US TREASURY N/B	2/28/2014	2,057,343.75	2,005,620.00	0.15%
US TREASURY N/B	3/15/2014	449,279.30	451,053.00	0.10%
US TREASURY N/B	4/15/2014	300,000.00	300,972.00	0.13%
US TREASURY N/B	4/15/2014	1,016,484.38	1,003,240.00	0.13%
US TREASURY N/B	4/30/2014	557,499.89	553,157.00	0.14%
US TREASURY N/B	5/15/2014	912,902.35	902,988.00	0.11%

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US TREASURY N/B	5/15/2014	3,043,359.38	3,009,960.00	0.11%
US TREASURY N/B	5/15/2014	453,533.20	451,494.00	0.11%
US TREASURY N/B	5/15/2014	453,111.33	451,494.00	0.11%
US TREASURY N/B	5/31/2014	2,502,343.75	2,501,475.00	0.11%
US TREASURY N/B	6/15/2014	250,253.91	250,722.50	0.12%
US TREASURY N/B	6/15/2014	1,202,812.50	1,203,468.00	0.12%
US TREASURY N/B	7/31/2014	820,065.18	811,624.00	0.14%
US TREASURY N/B	7/31/2014	706,154.69	710,171.00	0.14%
US TREASURY N/B	7/31/2014	2,077,265.63	2,029,060.00	0.14%
US TREASURY N/B	7/31/2014	524,843.75	507,265.00	0.14%
US TREASURY N/B	8/15/2014	230,041.60	220,476.05	0.17%
US TREASURY N/B	8/15/2014	477,430.66	476,111.50	0.13%
US TREASURY N/B	8/15/2014	301,148.44	300,702.00	0.13%
US TREASURY N/B	8/31/2014	275,045.00	268,903.45	0.15%
US TREASURY N/B	10/15/2014	1,806,257.81	1,805,058.00	0.14%
US TREASURY N/B	10/15/2014	502,343.75	501,405.00	0.14%
US TREASURY N/B	10/31/2014	4,158,750.00	4,073,280.00	0.17%
US TREASURY N/B	10/31/2014	1,011,058.04	1,018,320.00	0.17%
US TREASURY N/B	10/31/2014	225,484.15	229,122.00	0.17%
US TREASURY N/B	11/30/2014	704,703.90	681,879.10	0.18%
US TREASURY N/B	11/30/2014	548,839.84	539,396.90	0.18%
US TREASURY N/B	12/31/2014	2,996,132.81	2,999,070.00	0.16%
US TREASURY N/B	1/31/2015	433,445.46	429,353.40	0.19%
US TREASURY N/B	1/31/2015	4,485,776.81	4,600,215.00	0.19%
US TREASURY N/B	2/15/2015	748,261.72	729,694.00	0.22%
US TREASURY N/B	2/15/2015	713,781.25	677,573.00	0.22%
US TREASURY N/B	2/28/2015	490,888.28	471,518.40	0.22%
US TREASURY N/B	2/28/2015	1,055,625.00	1,025,040.00	0.22%
US TREASURY N/B	2/28/2015	2,630,566.41	2,562,600.00	0.22%
US TREASURY N/B	2/28/2015	3,713,309.27	3,792,648.00	0.22%
US TREASURY N/B	3/15/2015	11,025,818.10	11,022,770.00	0.20%
US TREASURY N/B	3/31/2015	18,996,289.11	19,010,450.00	0.21%
US TREASURY N/B	4/30/2015	532,285.16	515,095.00	0.23%
US TREASURY N/B	4/30/2015	2,019,459.82	2,060,380.00	0.23%
US TREASURY N/B	4/30/2015	5,314,822.52	5,480,610.80	0.23%
US TREASURY N/B	4/30/2015	2,533,016.20	2,575,475.00	0.23%
US TREASURY N/B	4/30/2015	5,019,820.31	4,841,893.00	0.23%
US TREASURY N/B	5/15/2015	448,964.40	450,283.50	0.20%
US TREASURY N/B	5/15/2015	9,002,491.09	9,005,670.00	0.20%
US TREASURY N/B	5/15/2015	139,650.47	140,088.20	0.20%
US TREASURY N/B	5/15/2015	278,743.13	280,176.40	0.20%
US TREASURY N/B	5/15/2015	299,321.32	300,189.00	0.20%
US TREASURY N/B	5/31/2015	1,562,226.56	1,539,900.00	0.24%
US TREASURY N/B	6/15/2015	801,875.00	801,688.00	0.23%
US TREASURY N/B	6/15/2015	599,648.44	601,266.00	0.23%
US TREASURY N/B	6/15/2015	12,892,484.59	12,927,219.00	0.23%
US TREASURY N/B	6/30/2015	524,296.87	512,110.00	0.26%
US TREASURY N/B	6/30/2015	410,937.50	409,688.00	0.26%
US TREASURY N/B	6/30/2015	5,002,929.70	5,010,350.00	0.24%
US TREASURY N/B	6/30/2015	1,368,145.90	1,367,825.55	0.24%
US TREASURY N/B	7/15/2015	5,742,831.76	5,750,230.00	0.25%
US TREASURY N/B	7/15/2015	6,488,088.18	6,500,260.00	0.25%
US TREASURY N/B	7/31/2015	207,875.00	204,664.00	0.27%
US TREASURY N/B	7/31/2015	202,992.86	204,664.00	0.27%
US TREASURY N/B	7/31/2015	14,968,945.35	14,999,400.00	0.25%
US TREASURY N/B	7/31/2015	1,168,171.88	1,169,953.20	0.25%
US TREASURY N/B	7/31/2015	998,089.29	999,960.00	0.25%
US TREASURY N/B	7/31/2015	2,993,681.93	2,999,880.00	0.25%
US TREASURY N/B	8/15/2015	587,118.17	558,531.75	0.31%
US TREASURY N/B	8/15/2015	2,219,140.63	2,127,740.00	0.31%

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US TREASURY N/B	8/15/2015	553,613.28	531,935.00	0.31%
US TREASURY N/B	8/15/2015	648,171.88	649,746.50	0.27%
US TREASURY N/B	8/15/2015	647,613.28	649,746.50	0.27%
US TREASURY N/B	8/15/2015	4,986,132.81	4,998,050.00	0.27%
US TREASURY N/B	8/31/2015	793,627.68	812,720.00	0.29%
US TREASURY N/B	8/31/2015	1,995,390.62	2,003,040.00	0.28%
US TREASURY N/B	8/31/2015	14,993,554.69	15,022,800.00	0.28%
US TREASURY N/B	8/31/2015	3,995,312.50	4,006,080.00	0.28%
US TREASURY N/B	9/15/2015	3,487,820.00	3,497,130.00	0.30%
US TREASURY N/B	9/15/2015	1,893,542.97	1,898,442.00	0.30%
US TREASURY N/B	9/15/2015	1,997,116.08	1,998,360.00	0.30%
US TREASURY N/B	9/30/2015	250,498.88	254,052.50	0.32%
US TREASURY N/B	9/30/2015	2,296,765.63	2,297,930.00	0.30%
US TREASURY N/B	9/30/2015	5,123,844.88	5,081,050.00	0.32%
US TREASURY N/B	9/30/2015	8,201,901.80	8,129,680.00	0.32%
US TREASURY N/B	10/15/2015	8,067,437.29	8,089,551.00	0.32%
US TREASURY N/B	10/15/2015	6,971,859.39	6,990,970.00	0.32%
US TREASURY N/B	10/31/2015	513,339.85	508,280.00	0.34%
US TREASURY N/B	10/31/2015	19,993,035.75	19,971,800.00	0.33%
US TREASURY N/B	10/31/2015	11,693,183.73	11,683,503.00	0.33%
US TREASURY N/B	10/31/2015	6,420,396.68	6,348,417.20	0.34%
US TREASURY N/B	11/15/2015	397,769.53	377,055.00	0.36%
US TREASURY N/B	11/15/2015	226,968.75	215,460.00	0.36%
US TREASURY N/B	11/15/2015	998,593.75	1,000,590.00	0.34%
US TREASURY N/B	11/15/2015	7,010,687.53	7,004,130.00	0.34%
US TREASURY N/B	11/30/2015	2,060,468.75	2,038,680.00	0.36%
US TREASURY N/B	11/30/2015	1,029,062.50	1,019,340.00	0.36%
US TREASURY N/B	11/30/2015	3,064,335.94	3,058,020.00	0.36%
US TREASURY N/B	11/30/2015	246,026.23	254,835.00	0.36%
US TREASURY N/B	11/30/2015	1,235,906.25	1,223,208.00	0.36%
US TREASURY N/B	11/30/2015	618,703.13	611,604.00	0.36%
US TREASURY N/B	11/30/2015	2,040,390.63	2,038,680.00	0.36%
US TREASURY N/B	12/31/2015	1,049,179.69	1,034,380.00	0.40%
US TREASURY N/B	12/31/2015	1,008,714.29	1,034,380.00	0.40%
US TREASURY N/B	12/31/2015	201,797.54	206,876.00	0.40%
US TREASURY N/B	1/15/2016	17,499,527.44	17,513,167.20	0.39%
US TREASURY N/B	1/31/2016	607,278.12	599,029.80	0.42%
US TREASURY N/B	1/31/2016	734,289.06	722,967.00	0.42%
US TREASURY N/B	1/31/2016	525,917.96	516,405.00	0.42%
US TREASURY N/B	1/31/2016	316,019.53	309,843.00	0.42%
US TREASURY N/B	1/31/2016	228,275.77	237,546.30	0.42%
US TREASURY N/B	1/31/2016	8,413,464.30	8,262,480.00	0.42%
US TREASURY N/B	2/15/2016	673,078.13	651,888.00	0.41%
US TREASURY N/B	2/15/2016	841,289.06	814,860.00	0.41%
US TREASURY N/B	2/15/2016	1,998,756.70	1,998,120.00	0.42%
US TREASURY N/B	2/15/2016	105,053.32	104,901.30	0.42%
US TREASURY N/B	2/15/2016	235,027.54	234,779.10	0.42%
US TREASURY N/B	2/15/2016	9,997,299.13	9,990,600.00	0.42%
US TREASURY N/B	2/15/2016	110,068.75	109,896.60	0.42%
US TREASURY N/B	2/29/2016	2,132,187.50	2,095,000.00	0.42%
US TREASURY N/B	2/29/2016	853,187.50	838,000.00	0.42%
US TREASURY N/B	2/29/2016	460,199.19	476,780.80	0.43%
US TREASURY N/B	2/29/2016	302,977.57	310,944.00	0.43%
US TREASURY N/B	2/29/2016	309,407.67	321,308.80	0.43%
US TREASURY N/B	2/29/2016	308,560.02	321,308.80	0.43%
US TREASURY N/B	2/29/2016	149,725.12	155,472.00	0.43%
US TREASURY N/B	3/15/2016	8,805,873.21	8,786,272.00	0.45%
US TREASURY N/B	3/31/2016	326,889.85	318,154.65	0.44%
US TREASURY N/B	3/31/2016	476,434.80	464,192.85	0.44%
US TREASURY N/B	4/15/2016	5,286,750.00	5,271,857.00	0.48%

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US TREASURY N/B	4/30/2016	486,738.28	472,077.00	0.51%
US TREASURY N/B	4/30/2016	1,503,457.03	1,551,795.00	0.51%
US TREASURY N/B	5/15/2016	6,097,787.50	6,102,116.20	0.51%
US TREASURY N/B	5/15/2016	7,146,867.89	7,155,576.00	0.51%
US TREASURY N/B	5/15/2016	993,089.29	993,830.00	0.51%
US TREASURY N/B	5/15/2016	2,289,046.77	2,285,809.00	0.51%
US TREASURY N/B	5/15/2016	10,629,292.52	10,643,919.30	0.51%
US TREASURY N/B	5/15/2016	2,185,741.75	2,186,426.00	0.51%
US TREASURY N/B	5/31/2016	156,628.71	159,491.90	0.54%
US TREASURY N/B	5/31/2016	2,080,703.12	2,057,960.00	0.54%
US TREASURY N/B	5/31/2016	309,375.00	308,694.00	0.54%
US TREASURY N/B	5/31/2016	312,216.01	318,983.80	0.54%
US TREASURY N/B	6/15/2016	15,011,183.10	14,984,700.00	0.54%
US TREASURY N/B	6/15/2016	299,390.63	299,694.00	0.54%
US TREASURY N/B	6/30/2016	695,187.50	716,135.00	0.57%
US TREASURY N/B	6/30/2016	395,328.13	409,220.00	0.57%
US TREASURY N/B	6/30/2016	80,071.88	81,844.00	0.57%
US TREASURY N/B	6/30/2016	565,919.92	562,677.50	0.57%
US TREASURY N/B	6/30/2016	2,319,478.91	2,322,323.50	0.57%
US TREASURY N/B	7/31/2016	606,750.00	613,686.00	0.61%
US TREASURY N/B	7/31/2016	161,943.75	163,649.60	0.61%
US TREASURY N/B	7/31/2016	330,217.77	332,413.25	0.61%
US TREASURY N/B	7/31/2016	615,023.44	613,686.00	0.61%
US TREASURY N/B	8/15/2016	6,849,093.73	6,881,582.40	0.62%
US TREASURY N/B	8/31/2016	60,377.34	60,562.80	0.64%
US TREASURY N/B	8/31/2016	1,003,750.00	1,009,380.00	0.64%
US TREASURY N/B	8/31/2016	676,845.70	681,331.50	0.64%
US TREASURY N/B	8/31/2016	737,955.86	736,847.40	0.64%
US TREASURY N/B	8/31/2016	502,910.15	504,690.00	0.64%
US TREASURY N/B	8/31/2016	327,500.98	328,048.50	0.64%
US TREASURY N/B	8/31/2016	502,597.66	504,690.00	0.64%
US TREASURY N/B	8/31/2016	707,710.94	706,566.00	0.64%
US TREASURY N/B	9/15/2016	11,829,078.59	11,870,092.00	0.65%
US TREASURY N/B	9/30/2016	320,601.56	318,843.00	0.69%
US TREASURY N/B	9/30/2016	499,375.00	504,295.00	0.68%
US TREASURY N/B	9/30/2016	227,355.46	226,932.75	0.68%
US TREASURY N/B	9/30/2016	501,035.15	504,295.00	0.68%
US TREASURY N/B	9/30/2016	502,597.65	504,295.00	0.68%
US TREASURY N/B	9/30/2016	858,466.80	857,301.50	0.68%
US TREASURY N/B	10/15/2016	1,002,112.73	998,130.00	0.69%
US TREASURY N/B	10/15/2016	5,006,852.70	4,990,650.00	0.69%
US TREASURY N/B	10/15/2016	8,334,327.87	8,304,441.60	0.69%
US TREASURY N/B	10/31/2016	225,192.19	224,076.30	0.73%
US TREASURY N/B	10/31/2016	352,843.75	352,653.00	0.73%
US TREASURY N/B	10/31/2016	502,519.53	503,790.00	0.73%
US TREASURY N/B	10/31/2016	800,312.50	806,064.00	0.73%
US TREASURY N/B	10/31/2016	326,180.66	327,463.50	0.73%
US TREASURY N/B	10/31/2016	1,832,770.50	1,838,833.50	0.73%
US TREASURY N/B	11/15/2016	1,503,169.09	1,495,425.00	0.73%
US TREASURY N/B	11/30/2016	1,328,955.08	1,321,387.50	0.76%
US TREASURY N/B	11/30/2016	319,394.53	317,133.00	0.76%
US TREASURY N/B	11/30/2016	903,888.67	898,543.50	0.76%
US TREASURY N/B	11/30/2016	200,679.69	200,640.00	0.76%
US TREASURY N/B	11/30/2016	265,797.07	265,848.00	0.76%
US TREASURY N/B	12/31/2016	972,246.09	965,322.00	0.80%
US TREASURY N/B	12/31/2016	1,108,035.16	1,102,409.00	0.80%
US TREASURY N/B	12/31/2016	390,289.45	390,854.10	0.80%
US TREASURY N/B	12/31/2016	281,651.56	280,613.20	0.80%
US TREASURY N/B	12/31/2016	10,062,890.60	10,021,900.00	0.80%
US TREASURY N/B	1/31/2017	437,437.50	427,624.00	0.85%

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US TREASURY N/B	1/31/2017	333,229.82	331,408.60	0.85%
US TREASURY N/B	1/31/2017	300,128.91	300,282.00	0.84%
US TREASURY N/B	1/31/2017	651,498.05	650,611.00	0.84%
US TREASURY N/B	1/31/2017	705,334.38	700,658.00	0.84%
US TREASURY N/B	3/31/2017	176,155.27	175,383.25	0.93%
US TREASURY N/B	5/31/2017	494,191.41	476,437.50	1.00%
US TREASURY N/B	5/31/2017	594,316.40	571,725.00	1.00%
US TREASURY N/B	5/31/2017	698,277.34	690,865.00	1.01%
US TREASURY N/B	7/31/2017	420,179.60	417,968.00	1.09%
US TREASURY N/B	7/31/2017	594,687.50	574,706.00	1.09%
US TREASURY N/B	7/31/2017	537,558.59	522,460.00	1.09%
US TREASURY N/B	7/31/2017	297,621.10	293,694.00	1.10%
US TREASURY N/B	7/31/2017	397,125.00	391,592.00	1.10%
US TREASURY N/B	7/31/2017	396,578.12	391,592.00	1.10%
US TREASURY N/B	7/31/2017	495,722.65	489,490.00	1.10%
US TREASURY N/B	7/31/2017	317,225.00	313,273.60	1.10%
US TREASURY N/B	7/31/2017	9,925.00	9,789.80	1.10%
US TREASURY N/B	8/31/2017	500,058.59	490,625.00	1.15%
US TREASURY N/B	9/30/2017	299,929.68	293,766.00	1.19%
US TREASURY N/B	9/30/2017	400,234.38	391,688.00	1.19%
US TREASURY N/B	9/30/2017	600,117.18	587,532.00	1.19%
US TREASURY N/B	9/30/2017	500,488.28	489,610.00	1.19%
US TREASURY N/B	9/30/2017	1,000,117.19	979,220.00	1.19%
US TREASURY N/B	10/31/2017	423,703.12	410,000.00	1.21%
US TREASURY N/B	10/31/2017	593,687.50	574,000.00	1.21%
US TREASURY N/B	10/31/2017	403,067.19	389,500.00	1.21%
US TREASURY N/B	10/31/2017	636,726.56	615,000.00	1.21%
US TREASURY N/B	10/31/2017	513,247.26	500,758.80	1.24%
US TREASURY N/B	10/31/2017	791,395.31	795,322.80	1.24%
US TREASURY N/B	10/31/2017	600,820.32	589,128.00	1.24%
US TREASURY N/B	11/30/2017	198,812.50	195,000.00	1.28%
US TREASURY N/B	11/30/2017	300,339.84	292,500.00	1.28%
US TREASURY N/B	11/30/2017	600,117.19	585,000.00	1.28%
US TREASURY N/B	11/30/2017	300,117.19	292,500.00	1.28%
US TREASURY N/B	11/30/2017	5,202,658.03	5,070,000.00	1.28%
US TREASURY N/B	12/31/2017	800,375.00	782,248.00	1.32%
US TREASURY N/B	12/31/2017	598,570.32	586,686.00	1.32%
US TREASURY N/B	1/31/2018	699,945.31	686,658.00	1.36%
US TREASURY N/B	1/31/2018	651,294.92	637,611.00	1.36%
US TREASURY N/B	1/31/2018	400,781.25	392,376.00	1.36%
US TREASURY N/B	1/31/2018	550,000.00	539,517.00	1.36%
US TREASURY N/B	2/28/2018	349,166.02	340,784.50	1.40%
US TREASURY N/B	4/30/2018	649,212.89	626,847.00	1.48%
US TREASURY N/B	4/30/2018	149,121.09	144,657.00	1.48%
US TREASURY N/B	9/30/2018	678,910.94	671,710.80	1.64%
US TREASURY N/B	10/31/2018	676,520.32	666,665.20	1.67%
US TREASURY N/B	11/30/2018	695,132.82	685,013.00	1.71%
US TREASURY N/B	11/30/2018	493,847.65	489,295.00	1.71%
SUB-TOTAL		627,978,025.70	624,925,355.20	

MEDIUM TERM NOTES

3M COMPANY	9/29/2016	167,917.20	167,455.20	0.83%
3M COMPANY	9/29/2016	41,025.60	40,595.20	0.83%
3M COMPANY	6/26/2017	537,510.60	533,163.60	1.37%
ABB FINANCE USA INC	5/8/2017	104,903.40	104,791.05	1.69%
ACE INA HOLDINGS	6/15/2014	176,334.40	163,916.80	0.49%
ACE INA HOLDINGS	11/23/2015	66,088.10	67,246.40	0.76%
ACE INA HOLDINGS	11/23/2015	67,430.35	67,246.40	0.76%
ACE INA HOLDINGS	3/15/2018	60,709.50	56,953.00	2.31%
AFLAC INC	2/15/2017	62,252.40	61,914.60	1.60%

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AFLAC INC	2/15/2017	105,024.00	103,191.00	1.60%
AFLAC INC	2/15/2017	145,649.00	144,467.40	1.60%
ALABAMA POWER CO	10/15/2015	10,986.58	10,973.93	0.68%
ALABAMA POWER CO	10/15/2015	312,618.14	312,258.19	0.68%
ALLSTATE CORP	5/16/2014	62,945.40	61,266.00	0.56%
ALLSTATE CORP	8/15/2014	52,871.00	51,383.00	0.54%
ALLSTATE CORP	8/15/2014	1,671,570.00	1,541,490.00	0.54%
AMER EXPRESS CREDIT CO	8/25/2014	1,012,878.20	968,623.00	0.43%
AMER EXPRESS CREDIT CO	9/15/2015	62,530.80	62,091.60	0.69%
AMER EXPRESS CREDIT CO	12/2/2015	112,314.00	108,502.00	0.83%
AMERICAN EXPR CENTURION	11/13/2015	1,998,160.00	2,004,460.00	0.75%
AMERICAN EXPR CENTURION	11/13/2015	499,810.00	501,115.00	0.75%
AMERICAN EXPRESS CO	9/12/2016	100,629.90	100,105.20	1.25%
AMERICAN EXPRESS CREDIT	6/12/2015	508,030.00	508,070.00	0.63%
AMERICAN EXPRESS CREDIT	6/12/2015	389,922.00	396,294.60	0.63%
AMERICAN EXPRESS CREDIT	6/12/2015	189,962.00	193,066.60	0.63%
AMERICAN EXPRESS CREDIT	9/19/2016	106,212.00	104,488.00	1.12%
AMERICAN EXPRESS CREDIT	9/19/2016	440,555.00	444,074.00	1.12%
AMERICAN HONDA FINANCE	8/11/2015	200,864.00	200,784.00	0.75%
AMERICAN HONDA FINANCE	8/11/2015	748,432.50	752,940.00	0.75%
AMERICAN HONDA FINANCE	9/21/2015	155,083.50	154,588.50	0.71%
AMERICAN HONDA FINANCE	9/21/2015	155,245.50	154,588.50	0.71%
AMERICAN HONDA FINANCE	10/7/2016	37,867.76	38,155.42	0.97%
AMERICAN HONDA FINANCE	10/7/2016	1,758,857.80	1,772,218.85	0.97%
ANHEUSER-BUSCH COS LLC	3/1/2017	68,582.40	66,942.60	1.82%
ANHEUSER-BUSCH INBEV WOR	7/15/2015	401,044.00	401,992.00	0.47%
ANHEUSER-BUSCH INBEV WOR	7/15/2015	100,012.00	100,498.00	0.47%
ANHEUSER-BUSCH INBEV WOR	7/15/2015	2,004,540.00	2,009,960.00	0.47%
ANHEUSER-BUSCH INBEV WOR	7/15/2015	1,004,280.00	1,004,980.00	0.47%
ANHEUSER-BUSCH INBEV WOR	7/15/2017	115,369.15	114,758.50	1.44%
AFACHE CORP	1/15/2017	119,134.00	112,389.00	1.44%
APACHE CORP	1/15/2017	682,206.00	674,334.00	1.44%
APPLE INC	5/3/2016	214,610.85	213,439.10	0.76%
APPLE INC	5/3/2016	1,247,737.50	1,240,925.00	0.76%
APPLE INC	5/3/2016	469,149.30	466,587.80	0.76%
AT&T INC	2/13/2015	388,190.40	390,822.90	0.68%
AT&T INC	2/13/2015	889,368.10	891,877.90	0.68%
AT&T INC	8/15/2015	1,043,950.00	1,026,700.00	0.84%
AT&T INC	5/15/2016	741,909.00	729,925.00	1.12%
AT&T INC	8/15/2016	1,057,240.00	1,028,350.00	1.30%
AT&T INC	6/1/2017	810,168.00	795,096.00	1.89%
AT&T INC	12/1/2017	150,211.50	147,877.50	1.78%
AT&T INC	12/1/2017	38,287.60	39,434.00	1.78%
BANK OF AMERICA CORP	5/15/2014	545,894.90	517,569.45	0.67%
BANK OF AMERICA CORP	7/12/2016	265,777.50	265,780.00	1.21%
BANK OF AMERICA CORP	3/22/2017	824,280.00	853,856.00	1.72%
BANK OF AMERICA CORP	9/1/2017	209,457.00	205,522.20	1.97%
BANK OF AMERICA CORP	12/1/2017	395,773.00	398,338.50	2.06%
BANK OF AMERICA NA	11/14/2016	2,298,298.00	2,302,622.00	1.08%
BANK OF NEW YORK MELLON	1/15/2015	50,824.00	51,346.50	0.50%
BANK OF NEW YORK MELLON	2/20/2015	100,638.00	100,768.00	0.47%
BANK OF NEW YORK MELLON	2/20/2015	279,745.20	282,150.40	0.47%
BANK OF NEW YORK MELLON	6/18/2015	88,275.05	87,992.00	0.53%
BANK OF NEW YORK MELLON	6/18/2015	873,267.90	859,216.00	0.53%
BANK OF NEW YORK MELLON	1/15/2016	209,792.00	206,332.00	0.93%
BANK OF NEW YORK MELLON	1/17/2017	105,342.00	102,343.00	1.59%
BANK OF NEW YORK MELLON	1/25/2018	68,348.00	68,241.60	1.95%
BANK OF NOVA SCOTIA	12/13/2016	699,797.00	703,360.00	0.93%
BAXTER INTERNATIONAL INC	6/1/2016	59,942.40	59,993.40	0.95%
BAXTER INTERNATIONAL INC	6/1/2016	65,367.90	64,992.85	0.95%

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BAXTER INTERNATIONAL INC	6/1/2016	519,500.80	519,942.80	0.95%
BAXTER INTERNATIONAL INC	6/1/2016	1,796,256.00	1,799,802.00	0.95%
BAXTER INTERNATIONAL INC	6/1/2016	199,808.00	199,978.00	0.95%
BB&T CORPORATION	4/30/2014	122,637.90	111,896.40	0.51%
BB&T CORPORATION	12/23/2015	1,002,073.20	994,069.20	1.07%
BB&T CORPORATION	3/15/2016	68,236.35	67,971.15	1.02%
BB&T CORPORATION	3/15/2016	77,138.25	78,428.25	1.02%
BB&T CORPORATION	3/15/2016	1,051,120.00	1,045,710.00	1.02%
BB&T CORPORATION	4/29/2016	161,946.00	159,685.50	1.13%
BB&T CORPORATION	3/22/2017	73,052.70	70,773.50	1.79%
BB&T CORPORATION	8/15/2017	518,055.42	514,365.33	1.86%
BB&T CORPORATION	8/15/2017	299,454.00	297,321.00	1.86%
BECTON DICKINSON	11/8/2016	205,110.00	203,720.00	1.09%
BELLSOUTH CORP	9/15/2014	402,034.60	382,065.70	0.56%
BERKSHIRE HATHAWAY FIN	7/15/2014	331,488.00	307,482.00	0.46%
BERKSHIRE HATHAWAY FIN	12/15/2015	498,900.00	518,165.00	0.58%
BERKSHIRE HATHAWAY FIN	8/15/2016	239,544.00	241,089.60	0.77%
BERKSHIRE HATHAWAY FIN	5/15/2017	425,985.00	424,048.80	1.31%
BERKSHIRE HATHAWAY INC	2/11/2015	103,238.00	103,070.00	0.43%
BERKSHIRE HATHAWAY INC	2/11/2016	1,099,901.00	1,100,814.00	0.76%
BERKSHIRE HATHAWAY INC	1/31/2017	1,553,385.00	1,534,530.00	1.14%
BERKSHIRE HATHAWAY INC	1/31/2017	579,971.00	593,351.60	1.14%
BK TOKYO-MITSUBISHI UFJ	1/22/2015	1,043,810.00	1,031,570.00	0.85%
BLACKROCK INC	12/10/2014	115,094.30	118,360.30	0.39%
BLACKROCK INC	12/10/2014	31,705.80	30,876.60	0.39%
BLACKROCK INC	12/10/2014	75,033.00	72,045.40	0.39%
BLACKROCK INC	9/15/2017	6,071.90	5,801.35	1.76%
BLACKROCK INC	9/15/2017	23,055.74	22,045.13	1.76%
BOEING CAPITAL CORP	8/15/2016	62,471.40	61,906.20	0.86%
BOEING CAPITAL CORP	8/15/2016	104,758.00	103,177.00	0.86%
BOEING CAPITAL CORP	8/15/2016	1,043,550.00	1,031,770.00	0.86%
BOEING CO	2/15/2015	114,222.90	113,627.80	0.55%
BOEING CO	2/15/2015	37,574.95	36,154.30	0.55%
BOTTLING GROUP LLC	4/1/2016	116,903.00	110,163.00	0.92%
BRANCH BANKING & TRUST	10/3/2016	2,399,136.00	2,422,488.00	1.09%
BROADCOM CORP	11/1/2015	99,820.30	97,439.60	0.96%
BROADCOM CORP	11/1/2015	714,503.20	697,462.40	0.96%
CAPITAL ONE BANK USA NA	11/21/2016	2,800,392.00	2,787,792.00	1.30%
CAPITAL ONE BANK USA NA	11/21/2016	339,989.80	338,517.60	1.30%
CAROLINA POWER & LIGHT	4/1/2015	174,643.15	163,841.20	0.56%
CATERPILLAR FINANCIAL SE	2/17/2014	112,023.00	100,701.00	0.62%
CATERPILLAR FINANCIAL SE	5/20/2014	126,635.00	125,487.50	0.36%
CATERPILLAR FINANCIAL SE	3/26/2015	179,847.00	181,137.60	0.54%
CATERPILLAR FINANCIAL SE	5/29/2015	69,977.60	70,564.20	0.53%
CATERPILLAR FINANCIAL SE	11/6/2015	579,466.40	580,701.80	0.63%
CATERPILLAR FINANCIAL SE	4/1/2016	60,360.00	62,212.20	0.99%
CATERPILLAR FINANCIAL SE	4/1/2016	52,619.50	51,843.50	0.99%
CATERPILLAR FINANCIAL SE	4/1/2016	151,717.36	151,383.02	0.99%
CATERPILLAR FINANCIAL SE	8/1/2016	98,722.10	97,521.30	1.01%
CATERPILLAR FINANCIAL SE	9/6/2016	1,139,829.00	1,147,056.60	1.11%
CATERPILLAR FINANCIAL SE	3/24/2017	91,200.60	89,897.40	1.79%
CATERPILLAR FINANCIAL SE	9/1/2017	59,999.00	56,997.00	1.88%
CATERPILLAR INC	5/27/2014	499,620.00	501,940.00	0.42%
CATERPILLAR INC	6/26/2017	91,785.60	89,563.50	1.64%
CHARLES SCHWAB CORP	12/4/2015	120,674.40	120,333.60	0.70%
CHARLES SCHWAB CORP	12/4/2015	70,175.70	70,194.60	0.70%
CHARLES SCHWAB CORP	12/4/2015	220,624.80	220,611.60	0.70%
CHARLES SCHWAB CORP	12/4/2015	220,000.00	220,611.60	0.70%
CHEVRON CORP	6/24/2016	94,000.00	94,222.78	0.79%
CHEVRON CORP	6/24/2016	220,000.00	220,521.40	0.79%

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CHEVRON CORP	6/24/2016	600,000.00	601,422.00	0.79%
CHEVRON CORP	6/24/2016	350,000.00	350,829.50	0.79%
CHEVRON CORP	6/24/2018	120,578.40	119,547.60	1.81%
CISCO SYSTEMS INC	11/17/2014	57,972.20	56,203.95	0.40%
CISCO SYSTEMS INC	11/17/2014	52,654.50	51,094.50	0.40%
CISCO SYSTEMS INC	11/17/2014	79,470.00	76,641.75	0.40%
CISCO SYSTEMS INC	2/22/2016	62,851.25	60,507.15	0.78%
CISCO SYSTEMS INC	2/22/2016	89,612.00	88,010.40	0.78%
CISCO SYSTEMS INC	3/14/2017	60,349.30	58,200.45	1.29%
CITIGROUP INC	8/12/2014	44,356.67	42,378.42	0.87%
CITIGROUP INC	10/15/2014	48,981.99	48,746.05	0.77%
CITIGROUP INC	1/15/2015	90,433.70	86,349.28	0.87%
CITIGROUP INC	1/15/2015	63,106.80	63,182.40	0.87%
CITIGROUP INC	1/15/2015	532,875.00	526,520.00	0.87%
CITIGROUP INC	1/15/2015	832,772.49	822,424.24	0.87%
CITIGROUP INC	5/19/2015	16,185.90	15,783.75	0.94%
CITIGROUP INC	8/7/2015	173,478.20	173,532.60	0.94%
CITIGROUP INC	8/7/2015	335,459.49	333,795.06	0.94%
CITIGROUP INC	8/7/2015	201,158.72	200,072.88	0.94%
CITIGROUP INC	8/7/2015	159,979.56	159,241.68	0.94%
CITIGROUP INC	6/15/2016	177,097.50	180,863.00	1.30%
CITIGROUP INC	11/21/2017	462,008.00	461,084.00	2.02%
CITIGROUP INC	11/21/2017	376,068.00	380,394.30	2.02%
CME GROUP INC	2/15/2014	87,571.20	80,468.80	0.93%
CME GROUP INC	2/15/2014	81,922.50	75,439.50	0.93%
COCA-COLA CO/THE	3/13/2015	459,484.80	461,453.60	0.49%
COCA-COLA CO/THE	3/13/2015	889,003.20	892,812.40	0.49%
COCA-COLA CO/THE	9/1/2016	81,436.80	81,921.60	0.89%
COCA-COLA CO/THE	9/1/2016	1,037,040.00	1,024,020.00	0.89%
COCA-COLA CO/THE	11/1/2016	1,168,654.50	1,163,658.60	0.94%
COCA-COLA CO/THE	11/1/2016	1,118,712.00	1,113,929.60	0.94%
COCA-COLA CO/THE	3/14/2018	115,456.55	114,091.50	1.85%
COLGATE-PALMOLIVE CO	5/1/2014	479,299.20	481,579.20	0.26%
COLGATE-PALMOLIVE CO	11/1/2015	992,480.00	1,014,360.00	0.59%
COMERICA INC	9/16/2015	101,015.00	103,792.00	0.76%
COMERICA INC	9/16/2015	63,596.40	62,275.20	0.76%
COMERICA INC	9/16/2015	31,576.50	31,137.60	0.76%
COMMONWEALTH BK AUSTR NY	3/16/2015	214,363.80	213,509.10	0.56%
CONOCOPHILLIPS	2/1/2014	29,283.39	27,091.53	0.67%
CONOCOPHILLIPS	1/15/2015	583,335.00	562,885.20	0.50%
CONOCOPHILLIPS	7/15/2018	42,257.25	41,641.25	2.23%
CONOCOPHILLIPS	7/15/2018	119,484.00	118,975.00	2.23%
CONOCOPHILLIPS COMPANY	12/15/2017	250,237.50	243,947.50	1.68%
CONS EDISON CO OF NY	2/1/2014	75,481.00	70,228.90	0.76%
CONS EDISON CO OF NY	9/15/2016	52,879.95	50,233.95	1.12%
COSTCO WHOLESALE CORP	12/7/2015	499,405.00	500,920.00	0.55%
CREDIT SUISSE NEW YORK	5/1/2014	110,154.00	101,630.00	0.59%
CREDIT SUISSE NEW YORK	5/1/2014	483,561.00	457,335.00	0.59%
CREDIT SUISSE USA INC	8/15/2015	53,843.90	53,580.50	0.68%
CREDIT SUISSE USA INC	8/15/2015	55,235.00	53,580.50	0.68%
CREDIT SUISSE USA INC	8/16/2016	162,489.60	157,182.20	1.09%
DAIMLER FINANCE NA LLC	4/10/2015	749,565.00	755,812.50	1.04%
DAIMLER FINANCE NA LLC	1/11/2016	555,316.12	556,394.76	1.21%
DAIMLER FINANCE NA LLC	8/1/2016	151,381.50	150,894.00	1.21%
DAIMLER FINANCE NA LLC	9/15/2016	156,480.00	155,115.00	1.34%
DANAHER CORP	6/23/2014	63,947.52	64,291.84	0.34%
DANAHER CORP	6/23/2016	52,411.50	51,602.50	0.99%
DUKE ENERGY CAROLINAS	12/15/2016	50,443.50	51,022.00	1.05%
DUKE ENERGY CAROLINAS	12/15/2016	91,089.00	91,839.60	1.05%
DUKE ENERGY FLORIDA INC	11/15/2015	719,359.20	720,216.00	0.63%

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E.I. DU PONT DE NEMOURS	1/15/2014	92,646.26	83,146.08	1.31%
E.I. DU PONT DE NEMOURS	1/15/2014	286,010.00	250,440.00	1.31%
E.I. DU PONT DE NEMOURS	3/25/2014	203,952.00	200,608.00	0.44%
E.I. DU PONT DE NEMOURS	4/1/2016	425,164.00	416,908.00	0.85%
E.I. DU PONT DE NEMOURS	12/15/2016	112,495.00	112,185.00	1.05%
EBAY INC	7/15/2015	500,000.00	501,345.00	0.52%
EBAY INC	7/15/2015	769,000.00	771,068.61	0.52%
EBAY INC	7/15/2015	230,648.60	230,618.70	0.52%
EBAY INC	7/15/2015	200,000.00	200,538.00	0.52%
EBAY INC	7/15/2015	341,679.60	340,914.60	0.52%
EBAY INC	10/15/2015	102,224.00	101,952.00	0.53%
EBAY INC	10/15/2015	58,236.00	61,171.20	0.53%
EBAY INC	10/15/2015	102,366.00	101,952.00	0.53%
EBAY INC	10/15/2015	40,887.60	40,780.80	0.53%
EBAY INC	7/15/2017	90,565.20	89,487.00	1.52%
EMC CORP	6/1/2018	54,923.55	54,375.20	2.15%
EMC CORP	6/1/2018	199,886.00	197,728.00	2.15%
EMERSON ELECTRIC CO	12/15/2014	162,974.20	151,269.80	0.46%
ENTERGY LOUISIANA LLC	12/15/2014	66,602.25	65,865.80	0.48%
EOG RESOURCES INC	2/1/2016	83,771.20	82,537.60	0.96%
EOG RESOURCES INC	2/1/2016	62,414.40	61,903.20	0.96%
EOG RESOURCES INC	2/1/2016	51,046.00	51,586.00	0.96%
EOG RESOURCES INC	2/1/2016	62,982.00	61,903.20	0.96%
FIFTH THIRD BANK	11/18/2016	699,818.00	699,517.00	1.17%
FIFTH THIRD BANK	2/28/2018	196,866.00	194,882.00	2.10%
FLORIDA POWER & LIGHT	11/1/2017	229,360.40	216,491.70	1.77%
FRANKLIN RESOURCES INC	5/20/2015	157,431.00	154,707.00	0.84%
FRANKLIN RESOURCES INC	9/15/2017	994,550.00	977,590.00	2.01%
GENERAL DYNAMICS CORP	11/15/2017	112,245.75	111,425.80	1.84%
GENERAL DYNAMICS CORP	11/15/2017	59,721.00	58,135.20	1.84%
GENERAL ELEC CAP CORP	5/13/2014	719,200.80	734,565.60	0.37%
GENERAL ELEC CAP CORP	6/4/2014	99,239.56	96,051.08	0.36%
GENERAL ELEC CAP CORP	1/9/2015	439,542.40	448,056.40	0.35%
GENERAL ELEC CAP CORP	7/2/2015	349,702.50	355,687.50	0.54%
GENERAL ELEC CAP CORP	7/2/2015	1,019,290.00	1,016,250.00	0.54%
GENERAL ELEC CAP CORP	9/21/2015	1,268,280.00	1,271,844.00	0.86%
GENERAL ELEC CAP CORP	11/9/2015	653,417.10	649,284.30	0.59%
GENERAL ELEC CAP CORP	11/9/2015	1,036,260.00	1,030,610.00	0.59%
GENERAL ELEC CAP CORP	12/11/2015	32,967.00	33,264.33	0.59%
GENERAL ELEC CAP CORP	12/11/2015	929,070.00	937,449.30	0.59%
GENERAL ELEC CAP CORP	1/8/2016	49,985.00	50,125.00	0.87%
GENERAL ELEC CAP CORP	1/8/2016	310,987.60	302,598.80	0.96%
GENERAL ELEC CAP CORP	1/8/2016	996,790.00	1,002,500.00	0.87%
GENERAL ELEC CAP CORP	7/12/2016	999,680.00	1,010,570.00	1.08%
GENERAL ELEC CAP CORP	2/15/2017	637,220.10	634,364.40	1.67%
GENERAL ELECTRIC CO	10/9/2015	1,003,070.00	1,004,670.00	0.58%
GENERAL ELECTRIC CO	10/9/2015	999,730.00	1,004,670.00	0.58%
GENZYME CORP	6/15/2015	246,058.60	240,186.70	0.57%
GEORGIA POWER COMPANY	8/10/2015	499,675.00	500,925.00	0.63%
GEORGIA POWER COMPANY	8/10/2015	399,740.00	400,740.00	0.63%
GEORGIA POWER COMPANY	8/10/2015	909,408.50	911,683.50	0.63%
GEORGIA POWER COMPANY	12/15/2015	112,794.00	108,422.00	0.90%
GEORGIA POWER COMPANY	6/1/2017	60,218.50	56,358.50	1.84%
GLAXOSMITHKLINE CAP INC	4/15/2014	268,942.50	252,792.50	0.50%
GOLDMAN SACHS GROUP INC	1/15/2014	311,931.00	300,456.00	1.21%
GOLDMAN SACHS GROUP INC	11/15/2014	109,749.00	104,225.00	0.63%
GOLDMAN SACHS GROUP INC	5/3/2015	104,298.00	103,033.00	1.01%
GOLDMAN SACHS GROUP INC	5/3/2015	49,964.50	51,516.50	1.01%
GOLDMAN SACHS GROUP INC	5/3/2015	959,318.40	989,116.80	1.01%
GOLDMAN SACHS GROUP INC	5/3/2015	517,410.00	515,165.00	1.01%

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GOLDMAN SACHS GROUP INC	5/3/2015	260,810.00	257,582.50	1.01%
GOLDMAN SACHS GROUP INC	8/1/2015	98,428.55	98,922.55	1.06%
GOLDMAN SACHS GROUP INC	11/23/2015	226,503.00	227,418.75	1.03%
GOLDMAN SACHS GROUP INC	11/23/2015	573,169.20	576,127.50	1.03%
GOLDMAN SACHS GROUP INC	1/15/2016	250,490.70	248,899.10	1.26%
GOLDMAN SACHS GROUP INC	2/7/2016	53,260.50	52,474.00	1.23%
GOLDMAN SACHS GROUP INC	2/7/2016	90,513.00	94,453.20	1.23%
GOLDMAN SACHS GROUP INC	2/7/2016	80,523.20	83,958.40	1.23%
GOLDMAN SACHS GROUP INC	9/1/2017	126,054.50	125,934.60	2.12%
GOLDMAN SACHS GROUP INC	9/1/2017	153,117.90	148,831.80	2.12%
HALLIBURTON COMPANY	8/1/2016	419,680.80	420,697.20	0.93%
HALLIBURTON COMPANY	8/1/2016	999,240.00	1,001,660.00	0.93%
HOME DEPOT INC	3/1/2016	111,485.00	109,689.00	0.88%
HOME DEPOT INC	3/1/2016	443,952.00	438,756.00	0.88%
HOME DEPOT INC	3/1/2016	578,980.00	548,445.00	0.88%
HOME DEPOT INC	9/10/2018	225,260.20	223,025.00	1.94%
HONEYWELL INTERNATIONAL	2/15/2014	69,482.40	65,263.90	0.54%
HONEYWELL INTERNATIONAL	2/15/2014	158,742.00	150,609.00	0.54%
HONEYWELL INTERNATIONAL	2/15/2014	791,820.00	753,045.00	0.54%
HONEYWELL INTERNATIONAL	3/15/2016	115,614.00	109,631.00	0.97%
HONEYWELL INTERNATIONAL	3/1/2018	107,347.50	101,736.90	2.02%
HSBC FINANCE CORP	6/30/2015	215,042.00	211,344.00	1.17%
HSBC FINANCE CORP	6/30/2015	218,898.00	211,344.00	1.17%
HSBC USA INC	2/13/2015	102,304.00	102,037.00	0.54%
HSBC USA INC	2/13/2015	1,020,770.00	1,020,370.00	0.54%
HSBC USA INC	1/16/2018	228,817.80	226,793.80	1.99%
IBM CORP	1/5/2016	255,420.00	256,590.00	0.68%
IBM CORP	5/6/2016	149,577.00	148,734.00	0.81%
IBM CORP	5/6/2016	428,787.40	426,370.80	0.81%
IBM CORP	5/6/2016	1,007,151.80	1,001,475.60	0.81%
IBM CORP	7/22/2016	103,953.00	102,735.00	0.87%
IBM CORP	7/22/2016	102,345.00	102,735.00	0.87%
IBM CORP	7/22/2016	251,190.00	256,837.50	0.87%
IBM CORP	2/6/2017	647,120.50	648,310.00	1.34%
ILLINOIS TOOL WORKS INC	4/1/2014	187,210.80	171,921.00	0.62%
INTEL CORP	10/1/2016	51,569.00	51,400.00	0.92%
INTEL CORP	10/1/2016	162,860.80	164,480.00	0.92%
INTEL CORP	10/1/2016	93,070.80	92,520.00	0.92%
INTEL CORP	10/1/2016	83,012.80	82,240.00	0.92%
INTEL CORP	12/15/2017	114,871.20	113,659.10	1.66%
JOHN DEERE CAPITAL CORP	3/3/2014	1,368,643.70	1,372,945.50	0.35%
JOHN DEERE CAPITAL CORP	4/17/2015	55,965.28	56,316.96	0.44%
JOHN DEERE CAPITAL CORP	4/17/2015	549,659.00	553,113.00	0.44%
JOHN DEERE CAPITAL CORP	4/17/2015	749,535.00	754,245.00	0.44%
JOHN DEERE CAPITAL CORP	6/29/2015	999,730.00	1,007,350.00	0.46%
JOHN DEERE CAPITAL CORP	6/29/2015	999,730.00	1,007,350.00	0.46%
JOHN DEERE CAPITAL CORP	6/7/2016	104,269.00	103,223.00	0.91%
JOHN DEERE CAPITAL CORP	6/7/2016	1,570,995.00	1,548,345.00	0.91%
JOHN DEERE CAPITAL CORP	9/15/2016	61,711.20	61,428.60	0.96%
JOHN DEERE CAPITAL CORP	10/11/2016	439,441.20	441,267.20	0.94%
JOHN DEERE CAPITAL CORP	3/15/2017	202,634.00	199,462.00	1.49%
JOHN DEERE CAPITAL CORP	9/18/2017	115,485.70	115,153.50	1.50%
JOHNSON & JOHNSON	5/15/2014	609,558.00	601,794.00	0.39%
JOHNSON & JOHNSON	5/15/2014	549,356.50	551,644.50	0.39%
JOHNSON & JOHNSON	11/28/2016	161,803.98	161,006.94	0.91%
JPMORGAN CHASE & CO	3/15/2014	663,975.00	630,312.50	0.72%
JPMORGAN CHASE & CO	3/20/2015	1,170,619.50	1,165,548.00	0.76%
JPMORGAN CHASE & CO	10/15/2015	299,877.00	301,143.00	0.88%
JPMORGAN CHASE & CO	1/15/2016	984,830.00	1,029,990.00	1.11%
JPMORGAN CHASE & CO	1/15/2016	414,340.00	411,996.00	1.11%

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JPMORGAN CHASE & CO	2/26/2016	1,997,580.00	2,003,400.00	1.04%
KENTUCKY UTILITIES	11/1/2015	35,775.60	35,655.20	0.60%
KENTUCKY UTILITIES	11/1/2015	205,604.00	203,744.00	0.60%
KENTUCKY UTILITIES	11/1/2015	25,606.25	25,468.00	0.60%
KEY BANK NA	11/25/2016	1,139,133.60	1,137,583.20	1.17%
KIMBERLY-CLARK CORP	8/1/2017	109,043.10	103,812.30	1.69%
LOCKHEED MARTIN CORP	9/15/2016	113,611.30	112,858.90	1.15%
LOCKHEED MARTIN CORP	9/15/2016	103,763.00	102,599.00	1.15%
LOUISVILLE GAS & ELEC	11/15/2015	102,159.00	101,911.00	0.60%
LOWE'S COMPANIES INC	10/15/2015	79,152.93	76,461.32	0.67%
LOWE'S COMPANIES INC	10/15/2015	21,160.87	20,461.48	0.67%
LOWE'S COMPANIES INC	10/15/2015	44,366.00	43,076.80	0.67%
MANUF & TRADERS TRUST CO	3/7/2018	250,897.50	243,177.50	2.13%
MCDONALD'S CORP	5/29/2015	108,812.52	109,635.47	0.34%
MCDONALD'S CORP	5/29/2015	219,733.80	221,282.60	0.34%
MCDONALD'S CORP	5/29/2015	145,735.74	146,851.18	0.34%
MCDONALD'S CORP	5/29/2015	359,010.00	362,098.80	0.34%
MCDONALD'S CORP	10/15/2017	41,471.85	40,352.20	1.62%
MCDONALD'S CORP	10/15/2017	58,561.50	57,646.00	1.62%
MEDTRONIC INC	3/15/2015	1,066,140.00	1,031,780.00	0.36%
MEDTRONIC INC	3/15/2016	415,228.00	414,156.00	1.00%
MET LIFE GLOB FUNDING I	6/10/2014	214,574.00	204,144.00	0.42%
MET LIFE GLOB FUNDING I	1/9/2015	1,776,707.00	1,808,800.40	0.41%
MET LIFE GLOB FUNDING I	6/29/2015	999,210.00	1,015,030.00	0.69%
MET LIFE GLOB FUNDING I	6/29/2015	499,605.00	507,515.00	0.69%
MET LIFE GLOB FUNDING I	9/29/2015	206,262.00	205,986.00	0.77%
MET LIFE GLOB FUNDING I	1/10/2018	246,922.50	243,150.00	2.22%
METLIFE INC	6/1/2016	1,147,450.00	1,137,030.00	1.00%
MICROSOFT CORP	6/1/2014	73,592.40	70,734.30	0.43%
MICROSOFT CORP	9/25/2015	102,978.00	102,083.00	0.42%
MICROSOFT CORP	2/8/2016	106,590.00	103,774.00	0.69%
MICROSOFT CORP	2/8/2016	583,396.00	570,757.00	0.69%
MONSANTO CO	4/15/2016	141,790.50	140,741.55	0.87%
MONSANTO CO	4/15/2016	68,036.80	67,764.45	0.87%
MORGAN STANLEY	5/13/2014	434,552.00	407,628.00	0.78%
MORGAN STANLEY	5/13/2014	486,985.50	458,581.50	0.78%
MORGAN STANLEY	4/28/2015	189,188.68	190,640.37	1.04%
MORGAN STANLEY	10/15/2015	754,824.00	752,899.00	1.10%
MORGAN STANLEY	4/29/2016	369,096.00	370,240.50	1.27%
MORGAN STANLEY	12/28/2017	174,928.50	171,378.00	2.20%
NATIONAL RURAL UTIL COOP	2/2/2015	357,332.35	357,087.40	0.46%
NATIONAL RURAL UTIL COOP	2/2/2015	55,479.05	55,323.40	0.46%
NATIONAL RURAL UTIL COOP	2/2/2015	201,404.00	201,176.00	0.46%
NATIONAL RURAL UTIL COOP	2/2/2015	169,909.90	170,999.60	0.46%
NATIONAL RURAL UTIL COOP	2/2/2015	179,427.60	181,058.40	0.46%
NATIONAL RURAL UTIL COOP	11/1/2015	103,204.00	102,389.00	0.59%
NATIONAL RURAL UTIL COOP	11/1/2015	61,816.20	61,433.40	0.59%
NATIONAL RURAL UTIL COOP	11/1/2015	72,182.60	71,672.30	0.59%
NATIONAL RURAL UTIL COOP	4/10/2017	101,504.45	94,701.90	1.84%
NATIONAL SEMICONDUCTOR	6/15/2017	99,349.60	93,492.80	1.57%
NBCUNIVERSAL MEDIA LLC	4/1/2014	30,462.60	30,128.10	0.39%
NBCUNIVERSAL MEDIA LLC	4/1/2016	317,271.00	312,285.00	1.03%
NEW YORK LIFE GLOBAL FDG	7/24/2015	434,612.85	435,917.85	0.61%
NEW YORK LIFE GLOBAL FDG	2/12/2016	446,877.00	452,034.00	0.58%
NEW YORK LIFE GLOBAL FDG	2/12/2016	1,039,324.00	1,044,700.80	0.58%
NORTHERN STATES PWR-MINN	8/15/2015	97,360.75	97,162.20	0.29%
NORTHERN STATES PWR-MINN	3/1/2018	136,449.60	135,565.20	1.99%
NORTHERN TRUST CORP	5/1/2014	53,247.50	50,723.00	0.28%
NORTHERN TRUST CORP	5/1/2014	62,659.80	60,867.60	0.28%
NORTHERN TRUST CORP	5/1/2014	80,727.00	76,084.50	0.28%

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NORTHERN TRUST CORP	5/1/2014	131,505.60	121,735.20	0.28%
NORTHERN TRUST CORP	5/1/2014	86,080.00	81,156.80	0.28%
NOVARTIS CAPITAL CORP	4/24/2015	266,775.00	258,335.00	0.35%
NSTAR ELECTRIC CO	4/15/2014	142,131.60	131,621.10	0.55%
NSTAR ELECTRIC CO	4/15/2014	172,969.60	161,995.20	0.55%
OCCIDENTAL PETROLEUM COR	2/1/2016	67,466.10	67,362.10	0.74%
OCCIDENTAL PETROLEUM COR	6/1/2016	44,053.60	43,025.60	0.95%
OCCIDENTAL PETROLEUM COR	2/15/2017	103,139.00	100,344.00	1.64%
OCCIDENTAL PETROLEUM COR	2/15/2017	179,987.50	175,602.00	1.64%
OCCIDENTAL PETROLEUM COR	2/15/2017	101,007.00	100,344.00	1.64%
ORACLE CORP	7/8/2014	102,503.00	101,726.00	0.42%
ORACLE CORP	7/8/2014	53,625.50	50,863.00	0.42%
ORACLE CORP	7/8/2014	100,857.70	96,639.70	0.42%
ORACLE CORP	1/15/2016	105,437.65	103,702.00	0.72%
ORACLE CORP	1/15/2016	85,317.75	81,870.00	0.72%
ORACLE CORP	1/15/2016	44,585.60	43,664.00	0.72%
ORACLE CORP	10/15/2017	50,105.50	49,203.00	1.64%
ORACLE CORP	10/15/2017	100,661.00	98,406.00	1.64%
ORACLE CORP	4/15/2018	116,766.00	115,557.00	1.95%
PACCAR FINANCIAL CORP	9/29/2014	40,738.00	40,335.60	0.42%
PACCAR FINANCIAL CORP	9/29/2014	101,037.50	100,839.00	0.42%
PACCAR FINANCIAL CORP	9/29/2014	96,451.60	95,797.05	0.42%
PACCAR FINANCIAL CORP	9/29/2014	399,556.00	403,356.00	0.42%
PACCAR FINANCIAL CORP	6/5/2015	69,932.10	70,571.20	0.48%
PACCAR FINANCIAL CORP	6/5/2015	179,825.40	181,468.80	0.48%
PACCAR FINANCIAL CORP	11/16/2015	797,888.00	801,728.00	0.58%
PACCAR FINANCIAL CORP	2/8/2016	99,966.00	99,848.00	0.87%
PACCAR FINANCIAL CORP	2/8/2016	209,714.40	209,680.80	0.87%
PACCAR FINANCIAL CORP	8/16/2016	2,097,963.00	2,105,712.00	1.04%
PACCAR INC	2/15/2014	109,516.00	100,726.00	0.90%
PACIFICORP	8/15/2014	163,471.50	154,165.50	0.47%
PECO ENERGY CO	10/1/2014	155,054.20	144,558.40	0.64%
PECO ENERGY CO	10/1/2014	221,500.00	206,512.00	0.64%
PEPSICO INC	8/25/2014	39,843.60	40,102.00	0.41%
PEPSICO INC	3/5/2015	179,920.80	180,453.60	0.53%
PEPSICO INC	3/5/2015	1,069,529.20	1,072,696.40	0.53%
PEPSICO INC	8/13/2015	235,777.85	235,249.10	0.63%
PEPSICO INC	5/10/2016	601,656.00	622,518.00	0.89%
PEPSICO INC	8/13/2017	199,372.00	197,858.00	1.56%
PEPSICO INC	8/13/2017	496,215.00	494,645.00	1.56%
PFIZER INC	1/15/2017	129,792.09	129,356.50	1.07%
PHILIP MORRIS INTL INC	5/16/2016	512,795.00	518,895.00	0.89%
PHILIP MORRIS INTL INC	3/20/2017	743,647.50	750,907.50	1.59%
PNC FUNDING CORP	2/8/2015	425,483.24	424,116.30	0.49%
PNC FUNDING CORP	2/8/2015	423,412.00	413,772.00	0.49%
PNC FUNDING CORP	2/8/2015	478,521.00	465,493.50	0.49%
PNC FUNDING CORP	2/8/2015	239,383.72	233,781.18	0.49%
PNC FUNDING CORP	9/19/2016	63,443.40	62,583.60	1.04%
PNC FUNDING CORP	9/19/2016	1,145,529.00	1,147,366.00	1.04%
PRAXAIR INC	3/31/2014	86,397.60	80,770.40	0.51%
PRAXAIR INC	3/30/2015	67,331.40	63,033.60	0.56%
PRAXAIR INC	3/30/2015	539,188.65	520,027.20	0.56%
PRAXAIR INC	2/21/2016	999,380.00	997,580.00	0.86%
PRAXAIR INC	11/7/2017	140,847.00	136,033.80	1.82%
PRAXAIR INC	11/7/2017	39,737.20	38,866.80	1.82%
PRECISION CASTPARTS CORP	12/20/2015	399,880.00	400,048.00	0.69%
PRECISION CASTPARTS CORP	12/20/2015	269,919.00	270,032.40	0.69%
PRICOA GLOBAL FUNDING 1	6/11/2014	675,868.20	633,261.80	0.62%
PRINCIPAL LFE GLB FND II	12/11/2015	300,891.00	300,612.00	0.89%
PRINCIPAL LFE GLB FND II	12/11/2015	100,335.00	100,204.00	0.89%

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PRINCIPAL LFE GLB FND II	12/11/2015	449,707.50	450,918.00	0.89%
PRINCIPAL LIFE INC FDG	4/15/2014	91,571.35	86,134.75	0.47%
PRINCIPAL LIFE INC FDG	4/27/2015	111,196.00	106,627.00	0.51%
PRINCIPAL LIFE INC FDG	4/27/2015	111,185.00	106,627.00	0.51%
PROCTER & GAMBLE CO/THE	8/15/2014	83,094.40	82,272.80	0.37%
PROCTER & GAMBLE CO/THE	8/15/2014	98,144.10	92,556.90	0.37%
PROCTER & GAMBLE CO/THE	8/15/2014	218,414.00	205,682.00	0.37%
PROCTER & GAMBLE CO/THE	8/15/2014	200,848.00	200,512.00	0.29%
PROCTER & GAMBLE CO/THE	8/15/2014	1,094,250.00	1,028,410.00	0.37%
PROCTER & GAMBLE CO/THE	11/15/2015	25,673.50	25,577.75	0.56%
PROCTER & GAMBLE CO/THE	8/15/2016	102,560.00	101,459.00	0.89%
PROCTER & GAMBLE CO/THE	8/15/2016	783,648.40	801,526.10	0.89%
PROCTER & GAMBLE CO/THE	11/4/2016	2,299,793.00	2,290,064.00	0.90%
PUB SVC ELEC & GAS	8/15/2014	55,295.50	51,392.00	0.51%
PUB SVC ELEC & GAS	8/15/2014	78,984.50	71,948.80	0.51%
PUB SVC ELEC & GAS	5/1/2015	62,722.80	61,741.20	0.51%
PUB SVC ELEC & GAS	5/1/2015	83,649.60	82,321.60	0.51%
PUB SVC ELEC & GAS	5/1/2015	164,706.30	169,788.30	0.51%
RABOBANK NEDERLAND	1/19/2017	1,171,049.00	1,158,179.00	1.59%
SAN DIEGO GAS & ELECTRIC	11/15/2015	169,434.00	162,235.50	0.90%
SIMON PROPERTY GROUP LP	1/30/2014	85,374.40	80,260.80	0.97%
SIMON PROPERTY GROUP LP	2/1/2015	324,818.88	322,202.20	0.66%
SIMON PROPERTY GROUP LP	6/15/2015	1,081,078.50	1,070,284.80	0.61%
SIMON PROPERTY GROUP LP	5/1/2016	57,495.50	55,215.00	1.03%
SIMON PROPERTY GROUP LP	9/15/2017	41,560.00	40,552.00	1.74%
SIMON PROPERTY GROUP LP	9/15/2017	77,601.00	76,035.00	1.74%
SOUTHERN CALIF GAS CO	3/15/2014	153,715.05	136,306.80	0.77%
SOUTHERN CO	9/1/2016	41,324.40	40,820.80	1.17%
STARBUCKS CORP	12/5/2016	409,200.50	407,417.00	1.09%
STATE STREET CORP	5/30/2014	103,406.00	101,606.00	0.44%
STATE STREET CORP	5/30/2014	64,239.60	60,963.60	0.44%
STATE STREET CORP	5/30/2014	208,330.00	203,212.00	0.44%
STATE STREET CORP	3/7/2016	63,783.60	62,437.80	0.99%
STATE STREET CORP	3/7/2016	104,706.00	104,063.00	0.99%
STATE STREET CORP	4/30/2017	94,543.20	89,417.60	1.72%
SYSCO CORPORATION	6/12/2015	297,957.00	300,285.00	0.48%
TARGET CORP	7/18/2014	430,550.50	426,704.25	0.39%
TARGET CORP	5/1/2017	179,274.00	168,607.50	1.54%
TARGET CORP	5/1/2017	117,920.00	112,405.00	1.54%
TEXAS INSTRUMENTS INC	5/15/2014	30,475.80	30,108.90	0.40%
TEXAS INSTRUMENTS INC	5/15/2014	172,714.90	170,617.10	0.40%
TEXAS INSTRUMENTS INC	8/3/2015	99,777.00	99,931.00	0.49%
TEXAS INSTRUMENTS INC	8/3/2015	846,149.50	849,413.50	0.49%
TEXAS INSTRUMENTS INC	5/16/2016	100,537.55	98,471.30	0.82%
TORONTO-DOMINION BANK	9/9/2016	1,167,543.00	1,184,367.60	1.04%
TOYOTA MOTOR CREDIT CORP	2/17/2015	100,980.00	100,677.00	0.40%
TOYOTA MOTOR CREDIT CORP	2/17/2015	101,043.00	100,677.00	0.40%
TOYOTA MOTOR CREDIT CORP	6/17/2015	52,143.00	51,997.00	0.45%
TOYOTA MOTOR CREDIT CORP	6/17/2015	84,831.20	83,195.20	0.45%
TOYOTA MOTOR CREDIT CORP	6/17/2015	84,790.40	83,195.20	0.45%
TOYOTA MOTOR CREDIT CORP	6/17/2015	499,380.00	519,970.00	0.45%
TOYOTA MOTOR CREDIT CORP	1/11/2016	104,106.00	104,501.00	0.56%
TOYOTA MOTOR CREDIT CORP	9/15/2016	79,584.80	82,288.80	0.93%
TOYOTA MOTOR CREDIT CORP	1/12/2017	62,215.20	61,319.40	1.31%
TRAVELERS COS INC	12/1/2015	56,975.50	54,544.00	0.72%
TRAVELERS COS INC	12/1/2015	220,772.00	218,176.00	0.72%
TRAVELERS COS INC	6/20/2016	52,848.90	50,612.85	1.11%
TRAVELERS COS INC	6/20/2016	53,122.95	50,612.85	1.11%
TRAVELERS COS INC	12/15/2017	119,868.00	114,640.00	1.89%
UNITED TECHNOLOGIES CORP	5/1/2015	148,531.05	142,668.00	0.59%

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UNITED TECHNOLOGIES CORP	6/1/2017	41,239.20	40,616.40	1.34%
UNITEDHEALTH GROUP INC	10/15/2015	221,163.80	220,880.00	0.62%
UNITEDHEALTH GROUP INC	10/15/2015	219,949.40	220,880.00	0.62%
UNITEDHEALTH GROUP INC	3/15/2016	497,191.50	492,579.00	1.02%
UNITEDHEALTH GROUP INC	11/15/2016	138,554.66	136,789.88	1.14%
UNITEDHEALTH GROUP INC	11/15/2016	1,871,902.88	1,851,767.48	1.14%
UNITEDHEALTH GROUP INC	11/15/2016	53,720.16	53,082.64	1.14%
US BANCORP	5/15/2014	267,977.50	253,522.50	0.41%
US BANCORP	5/15/2014	107,929.00	101,409.00	0.41%
US BANCORP	11/20/2014	163,315.35	168,532.65	0.45%
US BANCORP	3/4/2015	748,695.00	772,837.50	0.55%
US BANCORP	11/15/2016	113,405.60	113,597.00	1.01%
USAA CAPITAL CORP	9/30/2014	649,337.00	652,931.50	0.45%
VESEY STREET INV TRUST I	9/1/2016	90,117.00	96,633.90	1.57%
VIRGINIA ELEC & POWER CO	4/30/2018	121,760.10	119,176.05	2.12%
WACHOVIA CORP	2/15/2014	669,381.30	633,124.80	0.80%
WACHOVIA CORP	2/15/2014	1,063,650.00	1,004,960.00	0.80%
WACHOVIA CORP	10/15/2016	689,124.00	673,956.00	1.12%
WACHOVIA CORP	10/15/2016	149,267.30	146,023.80	1.12%
WAL-MART STORES INC	4/15/2014	50,842.00	50,202.50	0.22%
WAL-MART STORES INC	10/25/2015	1,547,580.00	1,528,545.00	0.45%
WAL-MART STORES INC	4/11/2016	479,659.20	479,304.00	0.66%
WAL-MART STORES INC	4/11/2016	239,829.60	239,652.00	0.66%
WAL-MART STORES INC	4/15/2016	317,547.00	314,214.00	0.71%
WAL-MART STORES INC	4/5/2017	381,519.60	371,078.40	1.45%
WALT DISNEY COMPANY/THE	12/1/2014	44,852.85	45,204.75	0.38%
WALT DISNEY COMPANY/THE	12/1/2014	887,089.70	894,049.50	0.38%
WALT DISNEY COMPANY/THE	12/1/2015	139,213.20	139,857.20	0.50%
WALT DISNEY COMPANY/THE	8/16/2016	1,022,590.00	1,011,500.00	0.91%
WALT DISNEY COMPANY/THE	9/15/2016	77,153.05	72,979.40	1.01%
WALT DISNEY COMPANY/THE	9/15/2016	177,382.50	168,414.00	1.01%
WALT DISNEY COMPANY/THE	2/15/2017	803,760.00	795,104.00	1.33%
WELLS FARGO & COMPANY	2/13/2015	101,186.00	100,826.00	0.51%
WELLS FARGO & COMPANY	7/1/2015	50,155.00	50,703.00	0.56%
WELLS FARGO & COMPANY	7/1/2015	100,929.00	101,406.00	0.56%
WELLS FARGO & COMPANY	7/1/2015	998,040.00	1,014,060.00	0.56%
WELLS FARGO & COMPANY	6/15/2016	266,735.00	266,185.00	1.00%
WELLS FARGO & COMPANY	5/8/2017	154,266.00	152,797.50	1.53%
WELLS FARGO & COMPANY	5/8/2017	1,776,420.80	1,792,824.00	1.53%
WELLS FARGO BANK NA	7/20/2015	1,999,300.00	2,006,040.00	0.55%
WISC ELEC POWER	4/1/2014	50,847.30	45,602.10	0.63%
WISC ELEC POWER	12/1/2015	148,352.50	137,935.00	0.80%
XTO ENERGY INC	6/30/2015	114,630.00	107,181.00	0.49%

SUB-TOTAL

191,152,839.55

189,799,331.34

VARIABLE RATE NOTES

AMERICAN EXPRESS CO	5/22/2018	1,010,000.00	1,009,303.10	0.86%
AMERICAN EXPRESS CREDIT	7/29/2016	1,130,000.00	1,135,491.80	0.57%
APPLE INC	5/3/2016	1,320,000.00	1,319,722.80	0.30%
APPLE INC	5/3/2018	1,090,000.00	1,088,157.90	0.54%
AT&T INC	11/27/2018	330,000.00	332,514.60	1.00%
BANK OF AMERICA CORP	3/22/2016	760,000.00	765,403.60	0.76%
BANK OF NOVA SCOTIA	7/15/2016	1,100,000.00	1,104,433.00	0.61%
BNP PARIBAS	12/12/2016	1,290,000.00	1,291,883.40	0.79%
BRANCH BANKING & TRUST	10/28/2015	1,000,000.00	1,001,440.00	0.41%
DAIMLER FINANCE NA LLC	4/10/2014	720,000.00	721,288.80	0.38%
DAIMLER FINANCE NA LLC	8/1/2018	1,070,000.00	1,075,756.60	1.00%
DUKE ENERGY INDIANA INC	7/11/2016	660,000.00	660,831.60	0.55%
GENERAL ELEC CAP CORP	7/12/2016	1,090,000.00	1,097,651.80	0.63%
GENERAL ELEC CAP CORP	7/12/2016	1,210,000.00	1,218,494.20	0.63%

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GOLDMAN SACHS GROUP INC	2/7/2014	130,365.30	130,091.00	0.59%
GOLDMAN SACHS GROUP INC	2/7/2014	520,000.00	520,364.00	0.59%
GOLDMAN SACHS GROUP INC	4/30/2018	1,090,000.00	1,102,872.90	1.18%
HSBC USA INC	9/24/2018	820,000.00	821,139.80	1.11%
JOHNSON & JOHNSON	11/28/2016	1,150,000.00	1,150,655.50	0.30%
JPMORGAN CHASE & CO	1/25/2018	1,500,000.00	1,514,985.00	0.90%
JPMORGAN CHASE & CO	1/25/2018	540,000.00	545,394.60	0.90%
MERCK & CO INC	5/18/2018	860,000.00	862,253.20	0.55%
MONSANTO CO	11/7/2016	1,180,000.00	1,180,660.80	0.42%
NBCUNIVERSAL ENTERPRISE	4/15/2016	610,689.30	613,330.60	0.55%
NBCUNIVERSAL ENTERPRISE	4/15/2016	502,877.50	502,730.00	0.55%
PACCAR FINANCIAL CORP	12/6/2018	230,000.00	230,331.20	0.82%
PRUDENTIAL HOLDINGS, LLC	12/18/2017	980,154.86	980,204.14	1.31%
ROCKWELL COLLINS INC	12/15/2016	1,090,000.00	1,089,989.10	0.60%
WESTPAC BANKING CORP	7/30/2018	830,000.00	834,100.20	0.88%
<i>SUB-TOTAL</i>		25,814,086.96	25,901,475.24	
 <u>STATE OF CALIFORNIA AND LOCAL AGENCIES</u>				
CA ST DEPT OF WTR-AO	12/1/2015	500,000.00	499,905.00	0.66%
CALIFORNIA ST-TXBL	2/1/2016	792,670.20	792,109.30	0.92%
IRVINE RANCH WTR DIST	3/15/2014	1,535,700.00	1,506,675.00	0.43%
ORANGE CO-A-TXBL	6/30/2014	1,050,000.00	1,051,648.50	0.44%
UNIV CA-AJ-TXBL	5/15/2016	400,000.00	398,432.00	1.07%
<i>SUB-TOTAL</i>		4,278,370.20	4,248,769.80	
 <u>MORTGAGE AND ASSET-BACK SECURITIES</u>				
AMXCA 2012-2 A	3/15/2018	2,999,062.50	3,005,400.00	0.57%
AMXCA 2012-2 A	3/15/2018	999,726.56	1,001,800.00	0.57%
BMWFT 2012-1A A	9/15/2017	630,836.72	630,976.50	0.48%
BMWFT 2012-1A A	9/15/2017	320,412.50	320,496.00	0.48%
BMWFT 2012-1A A	9/15/2017	750,000.00	751,162.50	0.48%
BMWLT 2012-1 A3	2/20/2015	707,125.44	705,848.03	0.44%
BMWLT 2013-1 A3	9/21/2015	1,499,760.00	1,500,480.00	0.51%
CCCIT 2006-A3 A3	3/15/2018	265,425.00	263,383.20	0.83%
CCCIT 2009-A4 A4	6/23/2016	442,937.50	408,580.00	0.40%
CCCIT 2009-A4 A4	6/23/2016	1,650,175.79	1,532,175.00	0.40%
CCCIT 2013-A1 A1	4/24/2017	1,100,000.00	1,099,274.00	0.32%
CCCIT 2013-A3 A3	7/23/2018	1,999,596.60	2,007,180.00	0.97%
CCCIT 2013-A5 A5	11/25/2016	1,280,000.00	1,280,000.00	0.32%
CCCIT 2013-A6 A6	9/7/2018	1,299,926.55	1,308,879.00	1.06%
CHAIT 2006-A2 A2	4/16/2018	995,765.63	983,970.00	0.73%
CHAIT 2012-A3 A3	6/15/2017	2,003,750.00	2,006,760.00	0.56%
CHAIT 2012-A5 A5	8/15/2017	2,499,908.00	2,500,275.00	0.58%
CHAIT 2012-A6 A	8/15/2017	1,410,000.00	1,408,251.60	0.37%
CHAIT 2013-A5 A	5/15/2017	4,199,955.48	4,195,548.00	0.55%
FHLB Y2-2015 1	4/20/2015	764,098.95	778,328.27	2.55%
FHMS K501 A1	6/25/2016	791,245.76	784,378.07	0.88%
FHMS K501 A2	11/25/2016	1,146,595.31	1,125,495.60	1.09%
FHMS K502 A1	12/25/2016	2,069,554.47	2,056,180.77	0.97%
FHR 3612 AE	12/15/2014	348,815.36	349,496.85	0.97%
FNA 2012-M9 ASQ2	12/25/2017	2,177,092.97	2,115,281.70	1.67%
FSPC T-50 A6X	2/27/2015	1,209,271.12	1,181,669.88	6.27%
GEEST 2012-1A A3	9/21/2015	2,006,640.63	2,006,220.00	0.55%
GEET 2012-1 A3	11/23/2015	1,092,703.57	1,095,209.94	0.51%
GEMNT 2009-4 A	11/15/2017	1,449,875.00	1,437,912.00	0.68%
GEMNT 2009-4 A	11/15/2017	2,075,625.00	2,054,160.00	0.68%
GEMNT 2009-4 A	11/15/2017	2,126,484.38	2,054,160.00	0.68%
HAROT 2011-1 A4	4/17/2017	670,651.51	668,852.56	0.41%
HAROT 2011-3 A3	9/21/2015	105,680.90	105,978.58	0.33%
HAROT 2011-3 A3	9/21/2015	424,706.35	423,914.31	0.33%

**Orange County Transportation Authority
Portfolio Listing
As of December 31, 2013**

HAROT 2012-4 A2	4/20/2015	670,436.47	670,619.65	0.29%
HAROT 2013-3 A2	1/15/2016	1,689,974.82	1,691,706.90	0.77%
HAROT 2013-4 A2	4/18/2016	866,947.98	866,982.66	0.47%
HAROT 2013-4 A3	9/18/2017	763,869.51	764,595.92	0.73%
JDOT 2011-A A3	1/15/2016	11,712.13	11,723.55	0.42%
JDOT 2013-B A2	1/15/2016	2,300,898.45	2,300,920.00	0.50%
JDOT 2013-B A3	8/15/2017	999,863.70	1,003,070.00	0.70%
JDOT 2013-B A3	8/15/2017	1,999,727.40	2,006,140.00	0.70%
MBALT 2013-A A3	2/15/2016	3,499,453.13	3,502,135.00	0.53%
MBART 2013-1 A2	3/15/2016	999,923.40	1,000,400.00	0.44%
SLMA 2012-5 A1	11/25/2016	436,794.38	436,676.44	0.42%
SLMA 2012-7 A1	2/27/2017	715,936.38	715,615.58	0.46%
SLMA 2013-1 A1	2/27/2017	854,064.50	854,455.51	0.45%
TAOT 2012-A A3	2/16/2016	640,016.74	639,883.62	0.42%
TAOT 2012-A A3	2/16/2016	274,474.64	274,235.84	0.42%
TAOT 2012-A A3	2/16/2016	771,703.34	773,345.06	0.42%
TAOT 2013-A A3	1/17/2017	243,998.12	243,992.68	0.55%
TAOT 2013-A A3	1/17/2017	399,996.92	399,988.00	0.55%
USAOT 2012-1 A2	6/15/2015	33,817.97	33,816.16	0.52%
<i>SUB-TOTAL</i>		63,687,015.54	63,337,979.89	
SHORT-TERM PORTFOLIO - TOTAL		\$ 917,894,927.65	\$ 913,197,501.18	

DEBT SERVICE RESERVE FUNDS

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>	<u>YIELD</u>
<i>9¹ EXPRESS LANES 2013 BONDS</i>	2030		10,799,437.46	
US BANK COMMERCIAL PAPER	2/3/2014	10,800,446.59		0.08%
FIRST AMERICAN TREAS OBLIGATIONS	N/A	1,080.15		0.01%
<i>9¹ EXPRESS LANES 2013 BONDS - OPERATING & MAINTENANCE RESERVES</i>			13,000,000.00	
OPERATING RESERVE: BoWEST NEG CD	1/2/2014	3,000,000.00		0.07%
MAINTENANCE RESERVE: BoWEST NEG CD	1/2/2014	10,000,000.00		0.07%
DEBT SERVICE RESERVE FUNDS - TOTAL		\$ 23,801,526.74		

	<u>Book Value</u>	<u>Market Value</u>
TOTAL PORTFOLIO	\$ 1,168,422,328.48	\$ 1,163,428,380.93



COMMITTEE TRANSMITTAL

January 27, 2014

To: Members of the Board of Directors
From: Wendy Knowles, ^{WK} Clerk of the Board
Subject: Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2013

Finance and Administration Committee Meeting of January 22, 2014

Present: Directors Bates, Hennessey, Lalloway, Moorlach, Pulido Spitzer, and Ury
Absent: Director Jones

Committee Vote

This item was passed by the Members present.

Committee Recommendations *(reflects a change from staff's recommendation)*

- A. Receive and file the Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2013.
- B. Auditors to revise report to reflect that the City of Irvine lacked evidence that two monthly summary reports were submitted within 30 days, as required.



January 22, 2014

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

A handwritten signature in black ink, appearing to read "Darrell Johnson for", is written over the typed name of the Chief Executive Officer. Below the signature is a large, stylized scribble or flourish.

Subject: Orange County Local Transportation Authority Measure M2
Agreed-Upon Procedures Reports, Year Ended June 30, 2013

Overview

Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed agreed-upon procedures related to Measure M2 Local Fair Share funds provided to ten cities and Senior Mobility Program funds distributed to two cities for the fiscal year ended June 30, 2013. The agreed-upon procedures were developed by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority to assist them in evaluating the level of compliance with provisions of the Measure M2 Ordinance.

Recommendation

Receive and file the Orange County Local Transportation Authority Measure M2 Agreed-Upon Procedures Reports, Year Ended June 30, 2013.

Background

Annually, the Audit Subcommittee of the Taxpayers Oversight Committee (Subcommittee) selects a sample of cities receiving Measure M2 funding for an evaluation of the cities' level of compliance with provisions of the ordinance. For the fiscal year ended June 30, 2013, the Subcommittee selected ten cities for review of Local Fair Share (LFS) program funding and two cities for review of Senior Mobility Program (SMP) funding. The agreed-upon procedures applied for these reviews were developed 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 required to maintain a minimum level of local streets and roads expenditures to conform to a defined maintenance of effort requirement.

The SMP funds local community transportation services for seniors. This program provides 80 percent of the funding allocation, and participating local jurisdictions provide a 20 percent match. A cooperative agreement is executed between the local jurisdiction and the Orange County Local Transportation Authority (OCLTA) to outline requirements of the program and required matching funds.

Discussion

Vavrinek, Trine, Day & Company, LLP, (auditors) conducted the agreed-upon procedures, including site visits to each of the selected cities, and conducted interviews of city finance and program-related staff. Procedures also included sample testing of expenditures for compliance with related program requirements.

Agreed-Upon Procedures: Local Fair Share Program Funds

The auditors noted no exceptions based on the procedures performed at the cities of Cypress, Irvine, Laguna Beach, Los Alamitos, Newport Beach, Placentia, Rancho Santa Margarita, San Clemente, San Juan Capistrano, and Villa Park.

Agreed-Upon Procedures: Senior Mobility Program Funds

Auditors found that the cities of Irvine and Newport Beach lacked documentation to evidence that two monthly summary reports tested were submitted to OCLTA within 30 calendar days of month end, as required. Management at both cities responded with plans to ensure reports are submitted timely, and supporting documentation is maintained.

Summary

Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed agreed-upon procedures related to Measure M2 Local Fair Share funds provided to ten cities and Senior Mobility Program funds distributed to two cities for the fiscal year ended June 30, 2013.

Attachments

- A. Orange County Local Transportation Authority Measure M2 Local Fair Share Agreed-Upon Procedures Reports Year Ended June 30, 2013
- B. Orange County Local Transportation Authority Measure M2 Senior Mobility Program Agreed-Upon Procedures Report Year Ended June 30, 2013

Prepared by:



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

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 LOCAL FAIR SHARE
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2013**

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 LOCAL FAIR SHARE
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2013**

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, 2013. Please refer to the individual divider tab for our report on each Agency.

City of Cypress

City of Irvine

City of Laguna Beach

City of Los Alamitos

City of Newport Beach

City of Placentia

City of Rancho Santa Margarita

City of San Clemente

City of San Juan Capistrano

City of Villa Park



**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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Cypress' (City) level of compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$2,670,215 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund, Lighting District #2 Fund, and the City Capital Projects Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$4,938,609 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$1,456,037 representing approximately 29% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$35,861. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$2,101,606 for the past three fiscal years, which included \$556,006 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$1,545,600 for fiscal years ended June 30, 2011, 2012 and 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 5,012
2012/2013	Local Fair Share (M2)	\$ 766,113

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 236, Measure M Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$637,258 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$594,124 representing approximately 93% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF CYPRESS, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Maintenance Administration	\$ 371,305
Street Maintenance	205,656
Street Cleaning	154,450
Traffic Safety	135,377
Traffic Signal Maintenance	167,616
Tree Maintenance	277,969
Parkway Maintenance	699,351
Sidewalk Repair	243,311
Residential Street Rehabilitation	1,024,454
Sidewalk Construction	1,135,320
Tree Irrigation	82,143
Tree Planting	203,894
Public Works Administration	416,233
Engineering Administration	165,875
Engineering Plan Checking	13,149
Traffic Safety Engineering	142,507
Less MOE Exclusion (for amounts allocated to other funding sources)	<u>(500,000)</u>
Total MOE Expenditures	<u>4,938,609</u>
Measure M2 Local Fair Share Expenditures:	
Residential Street Resurfacing	500,000
Arterial Street Rehabilitation	<u>137,258</u>
Total Measure M2 Local Fair Share Expenditures	<u>637,258</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 5,575,867</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 IRVINE**

Board of Directors

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Irvine's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$5,112,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$18,591,125 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.

- b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$1,497,199 representing approximately 8% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

- 5. We identified whether or not indirect costs were charged as MOE expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$341,192. No exceptions were noted as a result of our procedures.

- 6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$9,638,038 for the past three fiscal years, which included \$2,478,258 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$7,159,780 for fiscal years ended June 30, 2011, 2012 and 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2012/2013	Local Fair Share (M2)	\$ 3,422,765

- 7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 154, Renewed Measure M2 Fair Share Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$2,051,105 (see Schedule A). No exceptions were noted as a result of our procedures.

- 8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
- b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$816,899 representing approximately 40% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We review the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF IRVINE, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Department Administration	\$ 1,349,676
Traffic Engineering/Circulation	2,356,510
ITRAC	9,010
Project Management	424,545
Project Development	606,335
Development Engineering	1,676,490
Street & Row Maintenance	5,758,698
Landscape Maintenance	6,409,861
	<u>18,591,125</u>
 Total MOE Expenditures	 <u>18,591,125</u>
 Measure M2 Local Fair Share Expenditures:	
Citywide Traffic Signal Rehabilitation, Upgrades, Maintenance & Repair	372,094
11-12 Slurry Seal/Local Street Rehabilitation	912,911
12-13 Citywide Traffic Signal Rehabilitation	195,677
Trabuco/Monroe Signal Improvement	210,593
Jamboree Road Rehabilitation	150,841
John Inmon Storm Drain Rehabilitation	50,000
11-12 LED Signal Replacement	3,121
Jamboree Signal Synchronization	28,452
12-13 ITRAC Systems Upgrades	57,211
12-13 Streetscape Rehabilitation	70,205
	<u>2,051,105</u>
 Total Measure M Local Fair Share Expenditures	 <u>2,051,105</u>
 Total MOE and Measure M2 Local Fair Share Expenditures	 <u><u>\$ 20,642,230</u></u>

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



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Laguna Beach's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$1,358,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund (110), Capital Improvement Fund (116), Gas Tax Fund (132), and Street Lighting Fund (134). No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$3,160,373 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$820,045 representing approximately 26% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$54,509. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$976,098 for the past three fiscal years, which included \$261,916 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$714,182 for fiscal years ended June 30, 2011, 2012 and 2013. No exceptions were noted as a result of our procedures. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 306,480
2012/2013	Local Fair Share (M2)	\$ 357,880

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 132, Gas Tax Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$42,000 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$31,489 representing approximately 75% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF LAGUNA BEACH, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Public Works Administration	\$ 338,605
Public Works Mechanical Maintenance	117,902
Capital Improvement	802,170
Street Improvements	1,866,002
Street Lights	18,600
Street Slurry Seal and Rehabilitation (funded by Gas Tax revenues)	<u>17,094</u>
Total MOE Expenditures	<u>3,160,373</u>
Measure M2 Local Fair Share Expenditures:	
Street Slurry Seal and Rehabilitation (funded by Measure M revenues)	<u>42,000</u>
Total Measure M2 Local Fair Share Expenditures	<u>42,000</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 3,202,373</u></u>

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



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

Board of Directors

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Los Alamitos' (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$136,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$675,565 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$144,136 representing approximately 21% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$12,737. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$498,562 for the past three fiscal years, which included \$133,079 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$365,484 for fiscal years ended June 30, 2011, 2012 and 2013. No exceptions were noted as a result of our procedures. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 29,112
2012/2013	Local Fair Share (M2)	\$ 183,285

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 26, Measure M Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$290,096 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$252,566 representing approximately 87% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF LOS ALAMITOS, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Maintenance & Operations - Street Maintenance	\$ 364,961
Personnel - Street Maintenance	<u>310,604</u>
Total MOE Expenditures	<u>675,565</u>
Measure M2 Local Fair Share Expenditures:	
Corporate Center Drive / Calle Lee Reconstruction	37,403
Residential Street Improvements	20,254
Humbolt Street Rehabilitation	27,358
Los Vaqueros Circle Street	5,982
Reagan Street Rehabilitation	5,982
Old Town - E/W Street Improvements	<u>193,117</u>
Total Measure M2 Local Fair Share Expenditures	<u>290,096</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 965,661</u></u>

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



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Newport Beach's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$8,229,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, object, and activity. The City records its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$12,725,677 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$2,883,439 representing approximately 23% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$809,023. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$4,137,368 for the past three fiscal years, which included \$1,079,482 in Measure M Turnback (M1) funds for the fiscal years ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$3,057,886 for fiscal years ended June 30, 2011, 2012 and 2013. No exceptions were noted as a result of our procedures and at June 30, 2013 the remaining cash balance of these funds were as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 1,278,267
2012/2013	Local Fair Share (M2)	\$ 1,516,605

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City established the Measure M Local Fair Share Fund (Fund 280). Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$93,365 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$80,120 representing approximately 86% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF NEWPORT BEACH, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
General Services Field Maintenance	\$ 3,525,692
General Services Operations Support	445,443
General Services Parks/Parkway Maintenance	1,208,711
General Services Street Tree Maintenance	1,609,800
Public Works Engineering Services	1,702,183
Public Works Transportation and Development Services	1,223,005
Public Works Electrical Maintenance	617,736
General Fund Street Related CIP	2,135,594
Public Works Admin	<u>257,513</u>
Total MOE Expenditures	<u>12,725,677</u>
Measure M2 Local Fair Share Expenditures:	
BALBOA/CHNL RD PVMT RECON	82,452
FSHN ISLND/AREA ST OVRLAY	583
SIDEWLK/CURB/GUTTER & ADA	<u>10,330</u>
Total Measure M2 Local Fair Share Expenditures	<u>93,365</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 12,819,042</u></u>

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



**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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Placentia's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$546,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$910,563 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$260,094 representing approximately 29% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$129,209. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$1,387,171 for the past three fiscal years, which included \$470,302 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$916,869 for fiscal years ended June 30, 2011, 2012 and 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2012/2013	Local Fair Share (M2)	\$ 402,375

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 210, Measure M Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$350,581 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.

- b. Verified that the expenditures selected in (a) above were related to projects included in the City's Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$267,525 representing approximately 76% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California

December 13, 2013

CITY OF PLACENTIA, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Traffic Controls Maintenance	\$ 105,283
Payroll for Street Maintenance	620,330
Engineering Services	103,970
Contract Planning Services	16,640
Materials & Supplies - Street Maintenance	<u>64,340</u>
Total MOE Expenditures	<u>910,563</u>
 Measure M2 Local Fair Share Expenditures:	
Valencia Avenue Pavement Rehabilitation	2,819
Citywide Street Improvement	342,523
Bastanchury Road Traffic Signal	<u>5,239</u>
Total Measure M Local Fair Share Expenditures	<u>350,581</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 1,261,144</u></u>

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



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES — CITY OF RANCHO SANTA MARGARITA**

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Rancho Santa Margarita's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$350,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$350,000 (see Schedule A), which meets the minimum requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$276,562 representing approximately 79% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, MOE expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$1,623,522 for the past three fiscal years, which included \$425,295 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$1,198,227 for fiscal years ended June 30, 2011, 2012 and 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2012/2013	Local Fair Share (M2)	\$ 338,465

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 212, Measure M Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$703,219 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$527,414 representing approximately 75% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF RANCHO SANTA MARGARITA, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Professional Services - Contract Administration	\$ 26,376
Miscellaneous Street Maintenance	22,714
Street Maintenance Contract	257,258
Street Maintenance	22,059
Traffic Improvements	2,167
Street Maintenance - NPDES	19,426
	<hr/>
Total MOE Expenditures	350,000
	<hr/>
Measure M2 Local Fair Share Expenditures:	
Street Maintenance Program	385,221
Residential Street Improvement	294,785
Santa Margarita Parkway Pavement Rehabilitation	21,268
Melinda Road Median Improvements	205
Buena Suerte/La Miranda Median Improvements	451
Street Maintenance - Sidewalk Repairs	1,289
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Total Measure M Local Fair Share Expenditures	703,219
	<hr/>
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 1,053,219
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Note: The above amounts were taken directly from the financial records of the City of Rancho Santa Margarita and were not audited.



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of San Clemente's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$951,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$4,454,149 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$648,098 representing approximately 15% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$24,965. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$2,140,080 for the past three fiscal years, which included \$569,792 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$1,570,289 for fiscal years ended June 30, 2011, 2012 and 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2012/2013	Local Fair Share (M2)	\$ 496,329

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 012, Gas Tax Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$476,014 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$407,090 representing approximately 86% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF SAN CLEMENTE, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Traffic Signals	\$ 651,950
Traffic Maintenance	301,471
Street Maintenance & Repair	767,394
Street Lighting	392,665
Major Street Maintenance	1,254,044
Street Improvement	625,261
Engineering Administrative Services	(175,524)
Engineering Traffic	553,759
Engineering Design and Development	578,155
Less MOE Exclusion (for amounts allocated to other funding sources)	<u>(495,026)</u>
Total MOE Expenditures	<u>4,454,149</u>
Measure M2 Local Fair Share Expenditures:	
Calle Amanecer - Phase II	334
Calle Valle Rehabilitation	12,207
Camino De Los Mares Rehabilitation	40,865
Calle De Los Molinos	12,496
Avenida Pico Traffic Signal Synchronization	121,613
El Camino Real Traffic Signal Synchronization	141,045
Arriba Linda & Cerrito Cielo Rehabilitation	60,000
Avenida Vaquero Rehabilitation	4,855
Camino De Los Mares Frontage Road	11,642
La Ventana Rehabilitation	37,500
Via Breve Rehabilitation	27,500
Vica Picao Plaza Rehabilitation	<u>5,957</u>
Total Measure M Local Fair Share Expenditures	<u>476,014</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 4,930,163</u></u>

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



**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES — CITY OF SAN JUAN CAPISTRANO**

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of San Juan Capistrano's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$353,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$1,645,746 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$465,141 representing approximately 28% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$17,353. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$1,436,970 for the past three fiscal years, which included \$384,209 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$1,052,761 for fiscal years ended June 30, 2011, 2012 and 2013. No exceptions were noted as a result of our procedures. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 474,110
2012/2013	Local Fair Share (M2)	\$ 528,223

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 32, Measure M Fair Share. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$173,473 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$109,315 representing approximately 63% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based on our review of the general ledger expenditure detail and discussion with the City's accounting personnel, we identified indirect Measure M expenditures for the fiscal year ended June 30, 2013. Indirect Measure M expenditures tested totaled \$943. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF SAN JUAN CAPISTRANO, CALIFORNIA
Schedule of MOE and Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Public Works - Administration	\$ 1,009,135
Public Works - General Maintenance	103,848
Public Works - Street Maintenance	321,674
Public Works - Street Cleaning	142,597
Public Works - Street Lighting	145,119
Public Works-Traffic Control	162,089
Public Works-Winter Storm Preparation	46,563
Public Works-Median Maintenance	299,746
Public Works-Engineering	122,015
Public Works-Traffic Engineering	292,960
MOE Exclusion - Transfer to Gas Tax Fund	<u>(1,000,000)</u>
Total MOE Expenditures	<u>1,645,746</u>
Measure M2 Local Fair Share Expenditures:	
El Camino Real at Don Juan Retaining Wall	63,353
OCTA Grade Crossing	52,532
Del Obispo Rehab-Agacuate to Blue Fin	4,365
Del Obispo & Junipero Serra Rd. Rehab.	10,740
Pavement Management Program	16,963
Trabuco Creek Road Improvements	510
Avenida De La Vista Sidewalk and Ramps	3,230
Sign Retroreflectivity Program	16,642
Paseo Peregrino Cul de Sac Drainage Mitigation	5,000
Bridge at Acjachema Street and La Calera Street	<u>138</u>
Total Measure M Local Fair Share Expenditures	<u>173,473</u>
Total MOE and Measure M2 Local Fair Share Expenditures	<u><u>\$ 1,819,219</u></u>

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



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Villa Park's (City) level of compliance with the provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We obtained the OCLTA Maintenance of Effort (MOE) Calculation Report and identified the required minimum amount to be spent on MOE expenditures by the City.

Results: The City was required to spend \$263,000 in MOE expenditures during the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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.

Results: All MOE expenditures are tracked in the general ledger by fund, program, and activity. The City recorded its MOE expenditures in its General Fund. No exceptions were noted as a result of our procedures.

3. We obtained the detail of MOE expenditures for the fiscal year ended June 30, 2013 and determined whether the City met the minimum MOE requirement.

Results: The City's MOE expenditures for the fiscal year ended June 30, 2013 were \$289,701 (see Schedule A), which exceeded the requirement. No exceptions were noted as a result of our procedures.

4. We haphazardly selected 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.
 - b. Verified that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.

Results: MOE expenditures tested totaled \$255,894 representing approximately 88% of total MOE expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with the City’s accounting personnel, we identified indirect MOE expenditures for the fiscal year ended June 30, 2013. Indirect MOE expenditures tested totaled \$124,408. No exceptions were noted as a result of our procedures.

6. We obtained a listing of Measure M Local Fair Share payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City’s Measure M Local Fair Share Fund as of June 30, 2013 and determined whether funds were expended within three years of receipt.

Results: The City received \$200,560 for the past three fiscal years, which included \$47,194 in Measure M Turnback (M1) funds for the fiscal year ended June 30, 2011, and Measure M Local Fair Share (M2) funds in the amount of \$153,366 for fiscal years ended June 30, 2011, 2012 and 2013. No exceptions were noted as a result of our procedures and at June 30, 2013. The remaining cash balance of these funds was as follows:

<u>Allocation Year</u>	<u>Funding Source</u>	<u>Remaining Cash Balance</u>
2011/2012	Local Fair Share (M2)	\$ 3,095
2012/2013	Local Fair Share (M2)	\$ 73,566

7. We documented which fund the City used to track expenditures relating to Measure M Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City’s Measure M Local Fair Share expenditures are recorded in Fund 5, Local Sales Tax Fund. Total Measure M Local Fair Share expenditures during the fiscal year ended June 30, 2013 were \$19 (see Schedule A). No exceptions were noted as a result of our procedures.

8. We obtained the City’s Seven-Year Capital Improvement Program (CIP) and haphazardly selected a sample of Measure M Local Fair Share 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 vouchers or other appropriate supporting documentation.
 - b. Verified that the expenditures selected in (a) above were related to projects included in the City’s Seven-Year CIP and are properly classified as Measure M Local Fair Share projects.

Results: Measure M Local Fair Share expenditures tested totaled \$19 representing 100% of total Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013. The transaction is an administrative expense for Measure M projects and is not related to one specific project from the City's Seven-Year CIP. No exceptions were noted as a result of our procedures.

9. We identified whether or not indirect costs were charged as Measure M Local Fair Share expenditures. If applicable, we haphazardly selected a sample of charges. We reviewed the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

Results: Based upon our review of the general ledger expenditure detail and discussion with the City's accounting personnel, Measure M Local Fair Share expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

10. We reviewed the City's interest allocation methodology to ensure the proper amount of interest was credited to the Measure M Local Fair Share Fund.

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

11. We reviewed to determine the City was found eligible by the TOC Eligibility Subcommittee.

Results: We reviewed correspondence received by the City from the TOC Eligibility Subcommittee that indicated the City was found eligible to receive Measure M Local Fair Share funds. As a result, no exceptions were noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Laguna Hills, California
December 13, 2013

CITY OF VILLA PARK, CALIFORNIA
Schedule of Measure M2 Local Fair Share Expenditures
Year Ended June 30, 2013
(Unaudited)

Maintenance of Effort (MOE) Expenditures:	
Street Maintenance Personnel	\$ 118,450
Traffic Signal Maintenance	9,177
Traffic Stripping	566
Traffic Electricity	6,421
Landscape Median Maintenance	16,100
Water Medians	21,653
Roadway, Fence & Wall	2,949
Street Signs	5,220
Sidewalk Repair	20,000
Pavement Rehabilitation	18,637
City Entrance Monuments	52,355
Traffic Engineering	300
Engineering Retainer	17,873
	<hr/>
Total MOE Expenditures	289,701
	<hr/>
Measure M2 Local Fair Share Expenditures:	
Postage Expense	19
	<hr/>
Total Measure M Local Fair Share Expenditures	19
	<hr/>
Total MOE and Measure M2 Local Fair Share Expenditures	\$ 289,720
	<hr/> <hr/>

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY
MEASURE M2 SENIOR MOBILITY PROGRAM
AGREED-UPON PROCEDURES REPORTS
Year Ended June 30, 2013**

**ORANGE COUNTY LOCAL
TRANSPORATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2013

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, 2013. Please refer to the individual divider tab for our report on each Agency.

City of Irvine

City of Newport Beach



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Irvine's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

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

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

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City's expenditures are tracked in the general ledger by fund, and object. The City records its Senior Mobility Program expenditures in its General Fund. During the fiscal year ended June 30, 2013, the City reported total program expenditures of \$791,645, which included the City's match. No exceptions were noted as a result of our procedures.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the City and calculated the amount the City received for the past three fiscal years. We obtained the cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2013 and determined whether funds were expended within three of years of receipt.

Results: The City received \$272,346 for the past three fiscal years. There was no remaining cash balance for these funds as of June 30, 2013. No exceptions were noted as a result of our procedures.

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

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

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

Results: The total match expenditures amounted to \$650,932, which is approximately 463% of the total annual formula allocation of \$140,712. No exceptions were noted as a result of our procedures.

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

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

Results: A total of \$165,264 expenditures were tested, representing approximately 21% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

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

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

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

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
- a. Reviewed the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Verified that the proof of insurance was submitted to OCTA prior to commencement of any work and within ten (10) calendar days from the effective date of the Cooperative Agreement.

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

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

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

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



Laguna Hills, California
December 13, 2013



December 23, 2013

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

Subject: City of Irvine (COI) Draft Response to Orange County Local Transportation Authority (OCTA) Fiscal Review of 2012-2013 (FY 2012-13) Measure M2 Senior Mobility Program (SMP).

The following response is being submitted to address results from the fiscal review conducted for the period covering FY 2012-13.

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

Results: Through review of the City's monthly summary reports, it was noted that the monthly expense report agreed with supporting documentation. However, two of the reports tested were not submitted to OCTA within thirty (30) calendar days of the month end. No other exceptions were noted as a result of our procedures.

Response: City of Irvine staff properly prepares and provides monthly reports in a timely manner, within thirty (30) calendar days of month end. City of Irvine staff recalls reports for August and November 2012 were originally sent in a timely manner via email, however, in February 2013, OCTA requested staff to resend the monthly reports.

City staff has implemented additional tracking to ensure monthly reports are received in a timely manner and receipt of reports is tracked. Staff will be requesting email receipts from OCTA of monthly report submissions and screen shots which are saved and kept on file to show timely submission and acceptance.

Sincerely,

Corinne Schneider-Jones
Community Services Manager

Susie Blanco
Community Services Supervisor

cc: Sheila Driscoll, Community Services Superintendent



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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA), solely to assist you in evaluating the City of Newport Beach's (City) compliance with the provisions of the Measure M2 Senior Mobility Program as of, and for the fiscal year ended, June 30, 2013. The City's management is responsible for compliance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and for its cash, revenue and expenditure records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested, or for any other purpose.

The procedures performed and the results of those procedures were as follows:

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

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

2. We documented which fund(s) the City used to track expenditures relating to the Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2013.

Results: The City's expenditures are tracked in the general ledger by fund and object. The City records its Senior Mobility Program expenditures in its General Fund. During the fiscal year ended June 30, 2013, the City reported total program expenditures of \$609,365, which included the City's match. No exceptions were noted as a result of our procedures.

3. We obtained a listing of Measure M2 Senior Mobility Program payments made by OCLTA to the City and calculated the amount the City received by the City for the past three fiscal years. We obtained the cash balance of the City's Measure M2 Senior Mobility Program as of June 30, 2013 and determined whether funds were expended within three of years of receipt.

Results: The City received \$220,454 for the past three fiscal years. There was no remaining cash balance for these funds as of June 30, 2013. No exceptions were noted as a result of our procedures.

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

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

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

Results: The total match expenditures amounted to \$499,247, which is approximately 453% of the total annual formula allocation of \$110,118. No exceptions were noted as a result of our procedures.

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

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

Results: A total of \$97,918 expenditures were tested, representing approximately 16% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013. No exceptions were noted as a result of our procedures.

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

Results: Based on our review of the general ledger expenditure detail and discussion with City accounting personnel, the Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2013 did not include indirect costs. No exceptions were noted as a result of our procedures.

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

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

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

9. We obtained proof of insurance coverage for the City's contractor (if applicable) and we performed the following:
- a. Reviewed the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
 - b. Verified that the proof of insurance was submitted to OCTA prior to commencement of any work and within ten (10) calendar days from the effective date of the Cooperative Agreement.

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

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

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

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records, any indirect cost allocation plans and compliance with the provisions of Measure M2 Senior Mobility Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Vavriach, Train, Day & Co., LLP

Laguna Hills, California
December 13, 2013



CITY OF NEWPORT BEACH

FINANCE DEPARTMENT

December 13, 2013

Orange County Local Transportation Authority
P.O. Box 14184
Orange, CA 92863-1584

Dear Orange County Local Transportation Authority,

As a result of the audit conducted by Vavrinek, Trine, Day & Co., LLP for the Senior Mobility Program AUP audit, monthly summary reports were sampled. Through the review of the City's monthly summary reports, it was noted that the monthly expense reported agreed to supporting documentation. However, two of the reports tested were not submitted to OCTA within 30 calendar days of month end. The transportation staff at the City of Newport Beach and respective supervisors has been notified and are aware of the finding. As a result, the supervisor in charge of the Senior Mobility program in the Recreation department has changed the submittal date to no later than the 10th of each month.

If you need additional information or have any questions, please do not hesitate to contact me.

Thank you,

Dan Matusiewicz
Finance Director/Treasurer
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660



COMMITTEE TRANSMITTAL

January 27, 2014

To: Members of the Board of Directors
From: Wendy Knowles, Clerk ^{WK} of the Board
Subject: Measure M2 Performance Assessment Report Update

Executive Committee meeting of January 6, 2014

Present: Chairman Winterbottom, Vice Chairman Nelson, and Directors Bates, Hennessey, Nguyen, and Spitzer
Absent: Director Murray

Committee Vote

This item was passed by the Committee Members present.
Director Nguyen was not present to vote on this item.

Committee Recommendation

Receive and file as an information item.



January 6, 2014

To: Executive Committee
From: Darrell Johnson, Chief Executive Officer
Subject: Measure M2 Performance Assessment Report Update

Overview

Measure M2 includes a requirement for a performance assessment to be conducted every three years to evaluate the efficiency, effectiveness, economy, and program results of the Orange County Transportation Authority in delivering Measure M2. The second of these performance assessments, covering the period of July 1, 2009 through June 30, 2012, was presented to the Board of Directors on April 8, 2013. This report is the final update on the action items from the findings in the performance assessment.

Recommendation

Receive and file as an information item.

Background

On November 7, 2006, the voters of Orange County approved the Measure M2 (M2) Transportation Investment Plan (Plan) with a 69.7 percent vote. The Plan provides a revenue stream, from April 1, 2011 through April 30, 2041, to fund a broad range of transportation improvements. The M2 Ordinance specifies specific safeguards and requirements that are to be followed.

Ordinance No. 3 states: "A performance assessment shall be conducted at least once every three years to evaluate the efficiency, effectiveness, economy, and program results of the Authority in satisfying the provisions and requirements of the investment summary of the Plan, the Plan, and the ordinance. A copy of the performance assessment shall be provided to the Taxpayers Oversight Committee (TOC)."

The second triennial performance assessment, covering the time period of July 1, 2009 through June 30, 2012, was presented to the Orange County Transportation Authority (OCTA) Board of Directors (Board) on April 8, 2013.

The performance assessment included 12 findings, and staff agreed to implement the action plans outlined in the response to the findings.

Discussion

The key objectives of the second assessment were as follows: to evaluate the status of findings from the first M2 performance assessment and the effectiveness of changes implemented, assess the performance of OCTA on the efficient delivery of M2 projects and programs, and identify and evaluate any potential barriers to success, including opportunities for process improvements.

Overall, the 2009-2012 assessment commended OCTA's commitment to the effective and efficient management and delivery of the M2 Program. In general, the assessment report found that through the Early Action Plan (EAP), OCTA was able to take advantage of the competitive bidding environment and make significant progress on a large number of projects despite the downturn in M2 revenues resulting from the economic recession of 2008.

As part of the report, there were 12 findings related to the execution of the elements outlined in the scope of work. The findings either commented on appropriateness of actions to date or provided recommendations for improvements. There were no major recommendations that suggested there should be a change in the direction of OCTA's actions.

Below are the key areas the recommendations focused on, along with a summary of the action that staff has implemented.

- Ensuring internal coordination/communication - staff continues to ensure interdivisional coordination by holding bi-monthly M2 Program Management Committee meetings where M2 issues are addressed. In addition, the Program Management Office and Capital Programs Division have worked together to refresh the internal Program Manager Academy (Academy) materials. The Academy helps ensure that all staff manage projects consistently and understand OCTA and M2 objectives.
- Improving external information on M2 project and program progress - staff is continually improving the M2 section of the OCTA website and has updated all project schedules to reflect current status. Many updates and changes have been incorporated to ensure more transparency and help the public better navigate and understand Measure M (M1).

- Managing the cost of the one percent cap on administrative salaries and benefits over the long term - staff continues to closely monitor one percent administrative charges on a quarterly basis and takes corrective action as needed. OCTA currently has Board approval for the use of funds from the Orange County Unified Transportation Trust (OCUTT) to cover costs above the one percent, with the understanding that those funds will be repaid with interest in future years that OCTA administrative costs fall below the one percent cap. With the application of state planning funds (Local Transportation Funds) to help address the one percent charges, administrative charges were less in fiscal year 2012-13. This allowed OCTA to repay OCUTT \$800,000 at the end of 2013, reducing the total amount borrowed to \$4.4 million. In the long run, M2 administrative charges should decline as projects pass through this phase of the accelerated program, which places a heavier administrative burden up front. Additionally, it is expected that, overall, costs will balance over time.

The one percent cap on administrative salaries and benefits is a challenge for OCTA as a result of four factors.

1. Initiation of the EAP in 2007 required administrative functions four years prior to revenue collection. While the EAP resulted in project savings and significant acceleration of the program, administrative functions were required during this time with associated administrative costs.
2. Decreased sales tax revenue due to the recession resulted in a reduction in overall administrative funding available. While the program effort remained the same, revenues available did not.
3. Acceleration of the M2 Program, as well as early work on developing a multitude of M2 programs and projects requires significant early effort including administrative responsibilities. As with M1, this level of effort is expected to decrease as projects are completed, reducing the level of administrative costs below the one percent cap, balancing it out over the life of the M2 Program.
4. Lack of flexibility in the M2 Ordinance No. 3 as compared to the M1 Ordinance. The M2 Ordinance restricts the one percent cap by year rather than over the life of the program.

A table outlining the overall M2 Performance Assessment findings, as well the action staff has taken, can be found in Attachment A. These findings have been fully addressed and completed during the past calendar year as M2 policies and procedures have been developed and implemented.

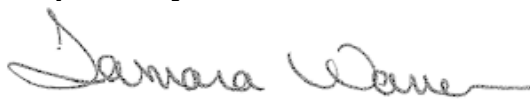
The M1 TOC Audit Subcommittee reviewed the draft report at its February 12, 2013 meeting, and the final report was presented to both the Audit Subcommittee and the TOC at its April 9, 2013 meeting. This final staff report will also be shared with the TOC at their next meeting on February 11, 2014.

Summary

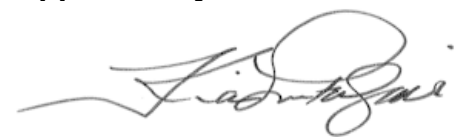
The second Measure M2 Performance Assessment, as required by Ordinance No. 3, was completed and presented to the Board of Directors on April 8, 2013. Twelve findings/recommendations were made, to which staff responded and developed an action plan. Since then, all 12 findings have been addressed and completed. A summary of all findings and action items is included in Attachment A.

Attachment

- A. July 2009 – June 2012 Measure M2 Performance Assessment Response to Findings

Prepared by:

Tamara Warren
Manager, Program Management Office
(714) 560-5590

Approved by:

Kia Mortazavi
Executive Director, Planning
(714) 560-5741

July 2009 – June 2012 Measure M2 Performance Assessment Response to Findings

	Summary of Findings/Recommendations	OCTA Action
1.	<p>The Orange County Transportation Authority (OCTA) has experienced some prolonged vacancies in project manager positions.</p> <p>It is important for OCTA to recruit highly qualified personnel to fill position vacancies in a timely manner and implement proven staff retention strategies.</p>	<p>The OCTA Board of Directors (Board) has reinstated a performance-based rewards program with a merit pool and a special award program. Additionally, to assist OCTA's ability to be competitive, human resources is doing a compensation and class study to hire at a higher level within the grade pay range of a position. This will allow for greater flexibility to recruit qualified personnel.</p> <p><i>Status: Complete</i></p>
2.	<p>OCTA's project controls group and Measure M Program Management Office (PMO) are critical components of the Measure M2 (M2) Program.</p> <p>The project controls group and the PMO need to work closely to ensure successful delivery of capital projects. Additionally, OCTA should ensure that every M2 project manager has up-to-date training with the P6 schedule module.</p>	<p>To ensure the project controls group and the PMO work closely, the PMO is meeting regularly with project controls staff and Capital Program Division program managers. Additionally, the PMO staff attends monthly California Department of Transportation/OCTA project meetings to keep informed. Additionally, a determination was made that adding a staff person in the PMO to serve as a liaison to the Capital Programs Division would be beneficial. The position was approved in the fiscal year (FY) 2013-14 budget. Recruitment and selection is complete.</p> <p><i>Status: Complete</i></p> <p>Staff will ensure that regular P6 training (OCTA's in house program for monitoring capital programs cost and schedule) is provided for M2 project managers and emphasize the importance of the information provided.</p> <p>The Project Manager Academy included a session on P6. Additionally, to provide open access, the Project Controls Department has added schedules and progress reports to the intranet for all OCTA to review if desired.</p> <p><i>Timeframe: Complete</i></p>
3.	<p>During the assessment period, OCTA issued a number of calls for projects for streets and roads projects, transit extensions, and water quality projects. Calls for projects are an important part of the M2 Program.</p> <p>Ensure that calls for projects are well advertised and well understood by local agencies.</p>	<p>Staff has redesigned the streets and roads funding section of the website and added a page specifically for call for projects programs. The site lists past, current, and future calls to provide local jurisdictions with a place to find out what opportunities there are for capturing these funds. The site also includes the guidelines for each program in this specific area to provide easy access.</p> <p><i>Status: Complete</i></p>

July 2009 – June 2012 Measure M2 Performance Assessment Response to Findings

Summary of Findings/Recommendations	OCTA Action
<p>4. Due to the nature of phasing freeway projects into segments for construction purposes, current progress with M2 Ordinance projects as a whole is not documented on OCTA's M2 Dashboard.</p> <p>OCTA should consider adding information on the M2 Dashboard to clarify cost reporting, add a percent program expenditure field, and list a description and completion status at the designated M2 project level.</p>	<p>Staff enhanced the reporting for projects as a whole on OCTA's website by adding all Measure M projects and providing schedule information as shown in the Transportation Investment Plan as Projects A-M. Additionally, the M2 quarterly reports include project progress information which is also on OCTA's website.</p> <p>Status: Complete</p>
<p>5. Through a formalized organizational review of M2 program management functions, OCTA should identify M2 program management gaps.</p> <p>Review organizational-level M2 Program management functions and administrative functions. The review could also address budget constraints prescribed by M2 Ordinance provisions.</p>	<p>OCTA completed an organizational review to ensure it is functionally capable of delivering on the promises of M2. The staff report highlighting the findings, along with proposed actions, was presented to the Board on November 8, 2013. The review included recommendations for adjustments which will be addressed as part of the FY 2013-14 budget process.</p> <p>Status: Complete</p>
<p>6. Streamlined communications between M2 project managers, the PMO, and division executives could promote improved coordination and communication protocols and mediums.</p> <p>This can be done by enhancing uses of the P6 system outputs, enhancing internal program coordination and communication vehicles, and promoting early project issues identification and resolution.</p>	<p>Executive staff continues to meet every two weeks to discuss the M2 Program and ensure that all key players are informed and any issues are addressed.</p> <p>Status: Complete</p> <p>To provide open access, the Project Controls Department has added schedules and progress reports to the intranet for all OCTA to review if desired.</p> <p>Status: Complete</p>
<p>7. Staff training and education is necessary in enhancing the cohesiveness of a team.</p> <p>It is recommended that OCTA conduct training for new staff, and refresher training for existing staff, on M2 Ordinance provisions and compliance approaches, M2 Program delivery policies and associated</p>	<p>The PMO and Capital Programs Division have worked together to refresh past Program Manager Academy (Academy) materials. Because interest in the Academy spanned over multiple divisions, more presenters were invited and session topics were added. A new session on the PMO was added, along with a session on California Environmental Quality Act/National Environmental Policy Act and the importance and background on timesheet reporting requirements. There are a</p>

July 2009 – June 2012 Measure M2 Performance Assessment Response to Findings

Summary of Findings/Recommendations	OCTA Action
<p>policy administration strategies, cost allocation, time management, and timesheet reporting requirements.</p>	<p>total of ten sessions that were covered over ten weeks, lasting from September 18 until November 20, 2013.</p> <p>Status: Complete</p>
<p>8. OCTA developed a detailed Ordinance Tracking Matrix to ensure that OCTA is complying with the M2 Ordinance requirements.</p> <p>It is recommended that the matrix be updated on a regular basis and to have project managers fill out current status. Also, the matrix should be made available to the M2 Taxpayers Oversight Committee (TOC).</p>	<p>The Ordinance Tracking Matrix now includes status with documentation for each item. The ordinance matrix is updated annually by the PMO every January. The 2012 Ordinance Tracking Matrix has been circulated throughout OCTA for updates covering January 1, 2012 - December 31, 2013. The next update will be in January 2014.</p> <p>The Ordinance Tracking Matrix will be provided to the TOC annually following each update.</p> <p>Status: Complete</p>
<p>9. Keeping the administrative salaries and benefits over the life of the M2 Program under the one percent cap is difficult, particularly given the decline in economic conditions. It is recommended to continue efforts to manage administrative costs, ensure that project-specific administrative costs are charged appropriately, and confirm a strategy for funding administrative costs that exceed the one percent cap over the course of the M2 Program, including M2 administrative expenses incurred prior to April 2011 and after March 2041.</p>	<p>While there is a one percent cap on administration, the delivery pace and related transparency is a priority. As was the case in Measure M, it is expected that administrative costs as a percentage of total costs will steadily decline over the life of the program. This is because many projects have been advanced and overlap other projects, which places a heavier administrative burden than would be the case using a sequential delivery approach. Closeout activities at the end of the program will require administrative charges, but it is expected that overall, costs will balance over time.</p> <p>Status: Complete</p>

July 2009 – June 2012 Measure M2 Performance Assessment Response to Findings

	Summary of Findings/Recommendations	OCTA Action
10.	<p>Detailed information is not readily available to the PMO on costs allocated through the Cost Allocation Plan (indirect costs versus direct costs) against the one percent administrative cap.</p> <p>OCTA should determine the extent of these charges and consider alternatives to the cap that more effectively allocate indirect charges to capital projects.</p>	<p>Finance and Administration Division staff has created a report that details the indirect charges by function as outlined in the Cost Allocation Plan. This report will be available annually each fall, in conjunction with the completion of the FY cost allocation plan.</p> <p>Status: Complete</p> <p>At the recommendation of the assessment consultant team, staff applied state planning funds which brought down the charges to the one percent administrative cost. This allowed OCTA to begin pay back of the Orange County Unified Transportation Trust Fund. At the end of 2013, \$800,000 of the amount borrowed was paid back, reducing the total amount borrowed to \$4.4 million. Additionally, quarterly labor meetings are held to closely monitor one percent administrative charges.</p> <p>Status: Complete</p>
11.	<p>M2 sales tax revenue projections have fluctuated significantly since the original year 2005 forecast.</p> <p>With respect to M2 revenue projections, consider providing the range of forecast scenarios (high and low) in addition to OCTA's average forecast approach. This would underscore the variability of sales tax forecasts that OCTA uses to project M2 revenues and help OCTA manage towards revised revenue projects over the life of the M2 Program.</p>	<p>On an annual basis, OCTA receives forecasts from three universities and each university presents their forecast to the Finance and Administration Committee. Staff provided a report to the Board that compared the forecasts from all three universities and how they are combined to create the "three-university average" that OCTA uses for planning purposes. Staff added a comparison of what different forecasts would yield independently to underscore the variability of sales tax forecasts.</p> <p>Status: Complete</p>
12.	<p>Navigability of OCTA M2 web pages could be improved through greater use of the M2 brand as a link to program content.</p> <p>It is recommended that OCTA consider enhancements to the OCTA website and M2 Program information and outreach web pages, with broader utilization of the M2 brand.</p>	<p>Staff is continually improving the M2 section of the website. Since the start of the performance assessment, the OCTA website, including the Measure M portion of the website, has been overhauled. The M2 section of the website was a key focus of improvements, and will continue to be reviewed quarterly to ensure transparency and ease of use for the public. Staff continues to look into enhancing the Measure M brand throughout the website.</p> <p>Status: Complete</p>