

**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>
 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
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Total MOE Expenditures	289,701
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Measure M2 Local Fair Share Expenditures:	
Postage Expense	19
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Total Measure M Local Fair Share Expenditures	19
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Total MOE and Measure M2 Local Fair Share Expenditures	\$ 289,720
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