

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2022

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR MOBILITY
PROGRAM**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2022

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, 2022. Please refer to the individual divider tab for our report on each Agency.

Anaheim

Garden Grove

Huntington Beach

Santa Ana

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Anaheim's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2022. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2022. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2022. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by fund, department codes, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (101), department code (213), and object code (7278). The City did not report any program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2022, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2022, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$900,882 for the past three years fiscal years ended June 30, 2020, 2021, and 2022. We compared the fund balance of \$657,466 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$657,466; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$310,663 during the fiscal year ended June 30, 2022, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, there should have been \$12,202 of interest revenues allocated to the fiscal year ended June 30, 2022. We inspected the interest allocation methodology. The City of Anaheim methodology for interest calculation was to calculate the average monthly cash balance, then using the City Treasurer's investment portfolio interest rates. Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2022.

Findings: The City did not have any expenditures during the year that were related to the Senior Mobility Program; therefore, the matching requirement was not applicable for the City. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inspected the Expenditure report and also the general ledger detail and found that there were no expenditures related to the Senior Mobility Program recorded. In addition, we obtained the expenditure detail support related to the Senior Mobility Program and found no expenditures using SMP funding occurred. As a result, we did not select any expenditures for inspection. No exceptions were found as a result of this procedure.

(Continued)

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

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of the City of Anaheim, and 60 years or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions found as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. No exceptions were found as a result of this procedure.

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

Findings: Based on discussion with City personnel and inspection of the general ledger detail of expenditures, the City was not currently in an engagement with a contractor that was determined using a competitive procurement process. Due to the COVID-19 Pandemic, their original service provider (Keolis Transit) was no longer able to provide services for the City. Since the contract between the City and Keolis was terminated early, the City was unable to conduct a competitive procurement process as required by the SMP Guidelines under section 6.0. The City did not claim SMP funding for FY22 because the City was aware that they were not in compliance with the competitive procurement requirements. No exceptions were found as a result of this procedure.

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

Findings: Based on interview with City personnel and inspection of the general ledger detail of expenditures, the City used a contracted provider that was not competitively procured and, therefore, did not claim any funding under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: The City did not submit monthly summary operations reports to OCLTA because they did not claim Senior Mobility Program funding for operations. No exceptions were found as a result of this procedure.

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

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

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

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



Crowe LLP

Costa Mesa, California
March 29, 2023

CITY OF ANAHEIM, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2022
(Unaudited)

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

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



City of Anaheim
FINANCE DEPARTMENT

Exhibit 1

March 29, 2023

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Anaheim as of and for the fiscal year ended June 30, 2022.

Procedure #4

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

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, there should have been \$12,202 of interest revenues allocated to the fiscal year ended June 30, 2022. We inspected the interest allocation methodology. The City of Anaheim methodology for interest calculation was to calculate the average monthly cash balance, then using the City Treasurer's investment portfolio interest rates. Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. Eligible participants of the Senior Mobility Program must purchase travel vouchers from the City prior to their trip. No other exceptions were found as a result of this procedure.

City's Response:

The City will submit amended fiscal year 2022 M2 Expenditure Report to include the interest revenue to OCTA for consideration. The City will also implement procedures going forward to ensure interest revenue for the Senior Mobility Program is reported in the M2 Expenditure Report.


Jim Vanderpool
City Manager


Deborah A. Moreno
Finance Director/City Treasurer


Sjanya Larson-Cash
Community Services Director

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Garden Grove's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2022. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2022. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2022. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked and recorded in the general ledger by general fund (111), Federal Grants (242), and Measure M2-CTFP (248), followed by a 7-digit number. The City reported \$84,745 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2022, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2022, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$550,723 for the past three fiscal years ended June 30, 2020, 2021, and 2022. We compared the fund balance of \$361,727 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 21) of \$361,727; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$210,100 during the fiscal year ended June 30, 2022, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,324, which was calculated by determining the percentage of Senior Mobility Program (SMP) quarterly cash balance in the Measure M2 CTFP Fund. The Senior Mobility Program cash balance percentage was then applied to the quarterly interest income generated by all funds. The City reported \$1,324 of interest income for the year ended June 30, 2022 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services to the City's senior center, however they charged \$4 for all other one-way trips. We deemed that the fare collection methodology was adequate to ensure the program revenue was credited to the Measure M2 Senior Mobility Program Fund. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2022.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$43,720 which was approximately 34% of the total expenditures of \$128,465 (M2 funded portion of \$84,745 and City's matching portion of \$43,720) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$52,129 representing approximately 62% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No exceptions were found as a result of this procedure.

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

Findings: We inquired with management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a form of state ID. The City then verifies that the applicant is a resident of the City of Garden Grove, and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. No exceptions were found as a result of this procedure.

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

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

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

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

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2021, December 2021, February 2022, and June 2022). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2021	December 30, 2022	January 24, 2022	25
December 2021	January 30, 2022	January 24, 2022	-
February 2022	March 30, 2022	April 1, 2022	2
June 2022	July 30, 2022	August 3, 2022	4

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

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

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

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

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



Crowe LLP

Costa Mesa, California
March 28, 2023

CITY OF GARDEN GROVE, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2022
(Unaudited)

	SCHEDULE A
Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>84,745</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 84,745</u>

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

Exhibit 1

March 28, 2023

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

- Steve Jones**
Mayor
- George S. Brietigam**
Mayor Pro Tem - District 1
- John R. O'Neill**
Council Member - District 2
- Cindy Ngoc Tran**
Council Member - District 3
- Joe DoVinh**
Council Member - District 4
- Stephanie Klopfenstein**
Council Member - District 5
- Kim Bernice Nguyen**
Council Member - District 6

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Garden Grove as of and for the fiscal year ended June 30, 2022.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2021, December 2021, February 2022, and June 2022). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2021	December 30, 2022	January 24, 2022	25
December 2021	January 30, 2022	January 24, 2022	-
February 2022	March 30, 2022	April 1, 2022	2
June 2022	July 30, 2022	August 3, 2022	4

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

City's Response:

The delay in filing the monthly reports cited above was primarily due to internal staff changes and the gap created accordingly. The City's program coordinator resigned from her position in late 2021. Timely report filing was adversely impacted for several months until a new employee was hired to oversee the program. This issue has been addressed and corrected. Additionally, cross training has been

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Huntington Beach's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2022. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2022. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2022. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by account number. The City recorded its expenditures in Senior Mobility Program Fund (963) and various account numbers. The City reported \$266,154 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2022, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2022, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$815,108 for the past three fiscal years ended June 30, 2020, 2021, and 2022. We compared the fund balance of \$115,543 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 21) of \$115,543; no differences were identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$310,963 during the fiscal year ended June 30, 2022, to the general ledger detail and to the amount listed of \$310,963, as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$622, which was calculated by determining the City's total interest for the month, which is then compared to the total cash balance for all funds to create a monthly interest rate to be used for all funds. The interest percentage is then applied to the monthly cash balance of the Senior Mobility Program (SMP). We recalculated each month's interest rate, which was then applied to the SMP cash balance. The City reported \$622 of interest income for the year ended June 30, 2022, which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's general ledger detail regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2022.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching, and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$70,164, which was approximately 21% of the total expenditures of \$336,318 (M2 funded portion of \$266,154 and City's matching portion of \$70,164), which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We identified that the City reported Senior Mobility Program indirect costs totaling \$266,154 on (Schedule 3, line 1) of the Expenditure Report. However, per our discussion with the City, inspection of the general ledger expenditure detail, and testing of the expenditure detail, these costs were improperly reported, and should have been reported as SMP direct charges under (Other) charges on the City's Expenditure Report (Schedule 3, line 17). We then selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$30,823 representing approximately 12% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. Crowe agreed the dollar amount listed on the general ledger to invoices provided by the City and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No other exceptions were found as a result of this procedure.

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

Findings: We inquired of management as to the procedures used to ensure services are provided to eligible participants. To use the transportation program, they must be residents of the City and 60 years or older. To register, they must make a phone call and provide their birthdate and Huntington Beach residency to self-certify their age. The information is recorded by dispatchers in the transportation program's software. Only individuals on the eligibility list can book a ride and detailed statistics are kept, including miles driven, hours per vehicle, passenger count, and driver identification. However, the current procedures do not include verification of age and proof of residency. No other exceptions were found as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. No exceptions were found as a result of this procedure.

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

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

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

(Continued)

Findings: We obtained and inspected the insurance coverage for the City of Huntington Beach. Crowe notes that the City used in-house staff to provide services for the Senior Mobility Program and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2021, December 2021, February 2022, and June 2022). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2021	December 30, 2022	December 7, 2021	-
December 2021	January 30, 2022	January 4, 2022	-
February 2022	March 30, 2022	March 9, 2022	-
June 2022	July 30, 2022	June 11, 2022	-

No exceptions were found as a result of this procedure.

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

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

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

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



Crowe LLP

Costa Mesa, California
March 28, 2023

CITY OF HUNTINGTON BEACH, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2022
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>266,154</u>
Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 266,154</u>

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



CITY OF HUNTINGTON BEACH

Finance Department

March 28, 2023

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Huntington Beach as of and for the fiscal year ended June 30, 2022.

Procedure #6

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

a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and

b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We identified that the City reported Senior Mobility Program indirect costs totaling \$266,154 on (Schedule 3, line 1) of the Expenditure Report. However, per our discussion with the City, inspection of the general ledger expenditure detail, and testing of the expenditure detail, these costs were improperly reported, and should have been reported as SMP direct charges under (Other) charges on the City's Expenditure Report (Schedule 3, line 17). We then selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$30,823 representing approximately 12% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. Crowe agreed the dollar amount listed on the general ledger to invoices provided by the City and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. No other exceptions were found as a result of this procedure.

City's Response:

They City will review its current financial reporting processes and implement procedures to ensure total expenditures are reported accurately and in the proper category.

Procedure #7

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

Findings: We inquired of management as to the procedures used to ensure services are provided to eligible participants. To use the transportation program, they must be residents of the City and 60 years or older. To register, they must make a phone call and provide their birthdate and Huntington Beach residency to self-certify their age. The information is recorded by dispatchers in the transportation program's software. Only individuals on the eligibility list can book a ride and detailed statistics are kept, including miles driven, hours per vehicle, passenger count, and driver identification. However, the current procedures do not include verification of age and proof of residency. No other exceptions were found as a result of this procedure.

City's Response:

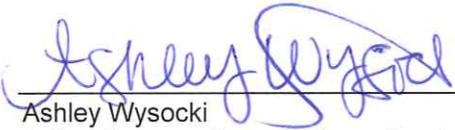
The City of Huntington Beach will update its intake procedure to include the verification of age and residency requirements for existing and new riders.



Al Zelinka, City Manager 3/27/23
Date



Sunny Han, Acting Chief Financial Officer 3/28/2023
Date



Ashley Wysocki 3/28/23
Date
Acting Community and Library Services Director

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

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

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Santa Ana's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2022. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2022. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

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

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

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2022. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to the Measure M2 Senior Mobility Program were tracked in the general ledger by accounting unit, account, and activity number. The City reported \$126,781 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U), which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2022, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt or within five years, if an extension was granted. For payments received during the fiscal year ended June 30, 2022, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$744,466 for the past three fiscal years ended June 30, 2020, 2021 and 2022. We compared the fund balance of \$492,678 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$492,678; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$262,539 during the fiscal year ended June 30, 2022, to the general ledger detail and to the amount listed of \$262,539 as received on the City's Expenditure Report (Schedule 2, line 8 for Project U). No exceptions were identified as a result of this procedure.

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

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$3,497, which was calculated by taking the monthly unspent cash balance for the Senior Mobility Program and dividing it by the total adjusted monthly cash balance for all funds. This percentage of allocation is then multiplied by the total amount of interest to be allocated for all funds leaving the final interest allocated to the Senior Mobility Program. The City reported \$3,497 of interest income for the year ended June 30, 2022 which agreed to the City's Expenditure Report (Schedule 2, line 8 for Project U). Additionally, we inquired of City personnel and inspected the City's General Ledger detail regarding fare collections methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2022.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance and Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. The total match expenditures amounted to \$31,695 which was 20% of the total expenditures of \$158,476 (M2 funded portion of \$126,781 and City's matching portion of \$31,695) which agrees to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$63,416 representing approximately 56% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. Crowe agreed the dollar amount listed on the general ledger to invoices provided by the City and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. However, Crowe identified \$12,711 of direct costs that should have been reported as indirect costs for Measure M2 Senior Mobility Program for the fiscal year ended June 30, 2022. No other exceptions were found as a result of this procedure.

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

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Anyone who wants to join the Senior Transportation Program is required to complete a Registration Application, specifying DOB, place of residence, along with a photo ID. All applicants must be SA residents and 60 years of age or older in accordance with the Senior/Disabled Program Funding Policy Guidelines and the Cooperative Agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

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

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. No exceptions were found as a result of this procedure.

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

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

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

(Continued)

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

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2021, December 2021, February 2022, and June 2022). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2021	December 30, 2022	December 28, 2021	-
December 2021	January 30, 2022	February 28, 2022	-
February 2022	March 30, 2022	April 2, 2022	3
June 2022	July 30, 2022	September 28, 2022	-

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

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

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

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

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



Crowe LLP

Costa Mesa, California
March 29, 2023

CITY OF SANTA ANA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2022
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:

Indirect and/ or Overhead - Schedule 3, line 1	\$ 12,771
Other Senior Mobility Project U	<u>114,010</u>

Total Measure M2 Senior Mobility Program Expenditures	<u>\$ 126,781</u>
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Note: The above amounts were taken directly from the financial records of the City of Santa Ana and were not audited.

MAYOR
Valerie Amezcua
MAYOR PRO TEM
Jessie Lopez
COUNCILMEMBERS
Phil Bacerra
Johnathan Ryan Hernandez
David Penaloza
Thai Viet Phan
Benjamin Vazquez



CITY MANAGER
Kristine Ridge
CITY ATTORNEY
Sonia R. Carvalho
CITY CLERK
Jennifer L. Hall

CITY OF SANTA ANA
20 Civic Center Plaza • P.O. Box 1988
Santa Ana, California 92702
www.santa-ana.org

Exhibit 1

March 29, 2023

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

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Santa Ana as of and for the fiscal year ended June 30, 2022.

Procedure #6

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

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

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$63,416 representing approximately 56% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2022. Crowe agreed the dollar amount listed on the general ledger to invoices provided by the City and determined that the expenditures selected were used exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the Cooperative Agreement. However, Crowe identified \$12,711 of direct costs that should have been reported as indirect costs for Measure M2 Senior Mobility Program for the fiscal year ended June 30, 2022. No other exceptions were found as a result of this procedure.

SANTA ANA CITY COUNCIL

Valerie Amezcua
Mayor
vamezcua@santa-ana.org

Jessie Lopez
Mayor Pro Tem, Ward 3
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Thai Viet Phan
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Johnathan Ryan Hernandez
Ward 5
jryanhernandez@santa-ana.org

David Penaloza
Ward 6
dpenaloza@santa-ana.org

City's Response:

The City has been informed that indirect costs need to be specifically identified on line 1 of the M2 Expenditure Report. All future reports will be completed accordingly.

Procedure #11

Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted within 30 days after the end of the service month.

Findings: We sampled four monthly summary reports (November 2021, December 2021, February 2022, and June 2022). Orange County Local Transportation Authority (OCLTA) staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2021	December 30, 2022	December 28, 2021	-
December 2021	January 30, 2022	February 28, 2022	-
February 2022	March 30, 2022	April 2, 2022	3
June 2022	July 30, 2022	September 28, 2022	-

Through inspection, we determined that three out of four reports were submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

City's Response:

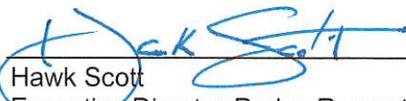
Due to an oversight, the City missed the due date of March 30, 2022 by 3 days. Moving forward, city staff will work with its team to make sure that the reports are submitted on time. City staff will take into consideration any staff planned and unplanned time off when gathering the data, make sure to complete the report by the 3rd Friday of the month, giving sufficient time to review, finalize and submit by the 30th of the month. This new process and timeline will be implemented effective immediately.



Kristine Ridge
City Manager



Kathryn Downs
Executive Director-Finance & Management Services



Hawk Scott
Executive Director-Parks, Recreation & Community Services

SANTA ANA CITY COUNCIL