



January 11, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer
Janet Sutter, Executive Director
Internal Audit Department

Subject: Laguna Beach Municipal Transit Lines, Annual Transportation Development Act Program Audit for Fiscal Year 2015-16

Overview

Pursuant to Part 21, Section 6667 of the California Code of Regulations, an audit of Transportation Development Act Article 4 Funds disbursed to the City of Laguna Beach has been conducted for the fiscal year ended June 30, 2016, by Vavrinek, Trine, Day & Company, LLP.

Recommendation

Receive and file the Laguna Beach Municipal Transit Lines, Transportation Development Act Program audit for fiscal year 2015-16, as an information item.

Background

The Transportation Development Act (TDA) provides, as a source of funding for public transportation, the Local Transportation Fund (LTF). LTF revenues are derived from a quarter-cent of retail sales taxes. The quarter-cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county.

The Orange County Transportation Authority (OCTA) is responsible for administering the TDA's various components under the LTF, which include Article 4 Funds for Transit Operating and Capital Programs.

Discussion

The California Code of Regulations, Part 21, Section 6664 requires cities (claimants) that expend TDA funds to obtain an independent fiscal and

compliance audit and submit the results of that audit to the State Controller's Office within 180 days of fiscal year end. On behalf of its claimants, OCTA contracts with Vavrinek, Trine, Day & Company, LLP (VTD) to perform these audits and ensures submission of the audits as required.

For the fiscal year (FY) ended June 30, 2016, VTD completed an audit of TDA Article 4 Funds disbursed to the City of Laguna Beach (City).

The audit found that the City used LTF funds allocated and dispersed to them in accordance with applicable TDA rules and regulations, and OCTA policies and procedures.

Summary

The required audit of TDA Article 4 funds expended under the Transit Operating and Capital Program has been conducted for the FY ended June 30, 2016, by VTD.

Attachment

- A. Laguna Beach Municipal Transit Lines Transportation Development Act Funds Financial Statements and Supplemental Data Year Ended June 30, 2016

Prepared by:



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