



January 11, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2015-16 Annual Financial and Agreed-Upon Procedures Reports

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements. Vavrinek, Trine, Day & Company, LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2015-16. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements. All reports are included herewith.

Recommendation

Receive and file the fiscal year 2015-16 annual financial and agreed-upon procedures reports as an information item.

Background

Pursuant to Section 28770 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting OCTA's results of operations and financial position at fiscal year-end. The financial statements are included in OCTA's Comprehensive Annual Financial Report (CAFR), which was presented to the Board of Directors on November 23, 2016. In connection with the preparation of the CAFR, Vavrinek, Trine, Day & Company, LLP (VTD) also provides opinions on other financial reports of OCTA.

The audits were performed under current accounting and auditing standards, including generally accepted auditing standards, the standards set forth for

financial audits in the Government Accountability Office's *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984 (as amended) and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the following additional requirements, where applicable:

- *State of California Transportation Development Act*, including the requirements of the *Southern California Association of Governments' Transportation Development Act Conformance Auditing Guide*;
- *Renewed Measure M Transportation Investment Plan*;
- *Special District and Transit District Reporting Requirements*, as specified by the California State Controller; and
- *Section 1.5 of Article XIII B of the California Constitution*, with procedures specified by the League of California Cities in *Article XIII B Appropriations Limitation Uniform Guidelines*

Discussion

VTD has completed its annual financial audits and has issued independent auditor opinions for the fiscal year ended June 30, 2016. In addition, results of certain agreed-upon procedures reviews are presented. Reports are included as Attachments A through J.

There were no recommendations resulting from the procedures performed.

Summary

VTD has audited OCTA's CAFR for the fiscal year ended June 30, 2016, and has issued an unmodified opinion thereon. VTD has also issued unmodified opinions on various other financial statements, which are attached hereto. No findings or recommendations were included in these reports.

Attachments

- A. Orange County Transportation Authority Single Audit Report on Federal Awards Year Ended June 30, 2016
- B. Orange County Local Transportation Authority (A Component Unit of the Orange County Transportation Authority) Annual Financial and Compliance Report Year Ended June 30, 2016
- C. Orange County Transportation Authority Local Transportation Fund Financial Statements Year Ended June 30, 2016
- D. Orange County Transportation Authority State Transit Assistance Fund Financial Statements Year Ended June 30, 2016
- E. Orange County Transportation Authority Independent Auditors' Report on Proposition 1B and Transportation Development Act Year Ended June 30, 2016
- F. Orange County Local Transportation Authority Report on Agreed-Upon Procedures Applied to Measure M2 Status Report Year Ended June 30, 2016
- G. Orange County Transportation Authority Independent Accountants' Report on Agreed-Upon Procedures Performed with Respect to the Treasury Department Year Ended June 30, 2016
- H. Orange County Transportation Authority Independent Accountants' Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation For the Fiscal Year Ended June 30, 2016
- I. Orange County Local Transportation Authority Independent Accountants' Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation For the Fiscal Year Ended June 30, 2016
- J. Orange County Transportation Authority Agreed-Upon Procedures Performed With Respect to the National Transit Database Report For the Period July 1, 2015 through June 30, 2016

Prepared by:



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