

**TOWN OF ROSS**

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**MEASURE A PROJECTS**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'  
REPORTS  
AND AGREED UPON PROCEDURES AND INDEPENDENT  
ACCOUNTANTS' REPORT  
JUNE 30, 2014**

**TOWN OF ROSS**  
**MEASURE A PROJECTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of City Council  
of the Town of Ross  
Ross, California

Honorable Board of Commissioners  
Transportation Authority of Marin  
San Rafael, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Measure A Projects (Projects) of the Town of Ross (Town), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Project's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Projects as of June 30, 2014, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Projects and do not purport to, and do not, present fairly the financial position of the Town as of June 30, 2014, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the Projects, implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective July 1, 2013. Our report is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statement in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014, on our consideration of the Project's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting nor on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP.  
Pleasanton, California  
December 24, 2014

**TOWN OF ROSS  
MEASURE A PROJECTS**

**BALANCE SHEET  
JUNE 30, 2014**

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**ASSETS**

Cash and investments	\$	7,544
Total assets	\$	<u>7,544</u>

**LIABILITIES AND FUND BALANCES**

**Liabilities**

Total liabilities	\$	<u>-</u>
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**Fund Balance**

Total fund balance - restricted		<u>7,544</u>
Total liabilities and fund balances	\$	<u>7,544</u>

See the accompanying notes to the financial statements.

**TOWN OF ROSS  
MEASURE A PROJECTS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2014**

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**REVENUES:**

Intergovernmental - Measure A	\$	27,484
Investment earnings		<u>160</u>
Total revenues		<u>27,644</u>

**EXPENDITURES:**

Measure A project expenditures		<u>89,530</u>
Total expenditures		<u>89,530</u>

**Excess (deficiency) of revenues over (under) expenditures** (61,886)

**FUND BALANCE**

Beginning of year		<u>69,430</u>
End of year	\$	<u><u>7,544</u></u>

See the accompanying notes to the financial statements.

**TOWN OF ROSS  
MEASURE A PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**1. GENERAL INFORMATION**

The Town of Ross, California (Town) Measure A Projects (Projects) financial statements includes the financial activities associated with Funding Agreement numbers 2013-001 and 2013-012 between the Town and the Transportation Authority of Marin (TAM).

These financial statements are intended to present the financial position and results of operation for the Projects, and not those of the Town as a whole.

Measure A is a ½ cent sales tax, approved by voters on the November 2, 2004 ballot, as a step in implementing a 1.6 billion dollar “transportation vision” set forth by the County of Marin (County) as a plan to alleviate traffic congestion, reinvent the public transportation system, provide additional pedestrian and bike pathways, provide safer routes to school and many other transit related goals. Citizens’ Advisory Committees in each part of the County, representing many diverse interest, provided input that resulted in a draft Expenditure Plan. The draft Expenditure Plan was presented to each of the County’s City \ Town Councils and to numerous stakeholder groups. Their comments prompted refinements reflected in the final Measure A Transportation Sales Tax Expenditure Plan (Plan).

The Measure A funds are distributed through TAM which is the agency responsible for administration of the Plan and allocation of funds to eligible claimants within the County. TAM’s 16-member board consists of the County Board of Supervisors and a council member from each incorporated City/Town within the County. TAM is accountable to a 12-member Citizens’ Oversight Committee, (Committee) created with the assistance of the League of Women Voters. The Committee is an advisory body tasked with the review of Measure A related revenues and expenditures. The Committee holds public hearings and issues reports, on at least an annual basis, to inform County residents how Measure A funds are being spent.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Projects conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies:

Fund Accounting

The accounts of the Projects are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related benefits, and equity, segregated for the purpose of carrying out specific activities. The Town accounts for the activity of the Measure A Projects in the fund titled Roadway Fund, which is a Special Revenue Fund.

Special Revenue Funds are used to account for the proceeds derived from specific revenue sources which are restricted or committed to expenditures for specified purposes.

**TOWN OF ROSS  
MEASURE A PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus and Basis of Accounting

The Special Revenue Funds of the Town are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred.

Cash and Investments

Cash and investments are pooled to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated, where applicable, to the respective funds including the Measure A funds, based upon the average cash balance. The investment policies and the risks related to GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, applicable to the Funds, are those of the Town and are disclosed in the Town's basic financial statements. The Town's basic financial statements can be obtained at Town Hall.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Inflows of Resources

The Projects adopted GASB Statement No. 65 effective July 1, 2013. In March 2012, GASB issued Statement No. 65 — *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. As a result, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, unavailable revenues, represents revenues earned during the period but unavailable to liquidate current liabilities. These amounts are deferred and recognized in the period that the amounts become available.

**TOWN OF ROSS  
MEASURE A PROJECTS**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014**

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**3. MEASURE A REVENUES AND EXPENDITURES**

The following is a summary of the Measure A project grant revenue and related expenditures for the year ended June 30, 2014:

Measure A Allocations:

Allocation Period	Agreement Number	Measure A Strategy	Agreement Date	Available Allocation	Measure A Expenditures For the Year Ended June 30, 2014	Unspent Allocation at June 30, 2014
Fiscal Year June 30, 2013	2013-001	3.2	January 30, 2013	\$ 69,382	\$ 62,046	\$ 7,336
Fiscal Year June 30, 2014	2013-012	3.2	September 18, 2013	27,484	27,484	-
Totals				<u>\$ 96,866</u>	<u>\$ 89,530</u>	<u>\$ 7,336</u>



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and  
Members of City Council  
of the Town of Ross  
Ross, California

Honorable Board of Commissioners  
Transportation Authority of Marin  
San Rafael, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure A Projects (Projects) of the Town of Ross, California (Town), as of and for the year ended June 30, 2014 and the related notes to the financial statements, and have issued our report thereon dated December 24, 2014. Our report included an emphasis of matter stating that the financial statements of the Projects do not purport to, and do not, present fairly the financial position of the Town as of June 30, 2014 and that the Town and the Projects implemented Governmental Accounting Standards Board (GASB) Statement No 65, *Items Previously Reported as Assets and Liabilities*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Projects' internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California  
December 24, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE MEASURE A  
EXPENDITURE PLAN AND RESPECTIVE FUNDING AGREEMENTS BETWEEN THE TOWN OF  
ROSS AND THE TRANSPORTATION AUTHORITY OF MARIN**

To the Honorable Mayor and  
Members of City Council  
of the Town of Ross  
Ross, California

Honorable Board of Commissioners  
Transportation Authority of Marin  
San Rafael, California

**Report on Compliance With the Measure A Expenditure Plan and Respective Funding Agreements**

We have audited the Town of Ross's (Town) compliance with the compliance requirements contained in the Measure A Expenditure Plan and Respective Funding Agreements for the year ended June 30, 2014.

***Management's Responsibility***

Management is responsible for compliance with the Measure A Expenditure Plan and Respective Funding Agreements.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance with the Measure A Expenditure Plan and Respective Funding Agreements. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with the Measure A Expenditure Plan and Respective Funding Agreements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Measure A Expenditure Plan and Respective Funding Agreements. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance for the purpose of expressing an opinion on compliance as referred to above and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Measure A program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Measure A program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Measure A program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements referred to above. Accordingly, this report is not suitable for any other purpose.

Varrinek, Trine, Day & Co., LLP.

Pleasanton, California  
December 24, 2014



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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON  
PROCEDURES OVER THE MEASURE A EXPENDITURE PLAN AND RESPECTIVE FUNDING  
AGREEMENT BETWEEN THE TOWN OF ROSS AND THE TRANSPORTATION  
AUTHORITY OF MARIN**

To the Honorable Mayor and  
Members of City Council  
of the Town of Ross  
Ross, California

Honorable Board of Commissioners  
Transportation Authority of Marin  
San Rafael, California

We have performed the procedures in the attached Schedule A, which were agreed to by the Town of Ross (Town), solely to assist the Town with respect to compliance with the Measure A Expenditure Plan and Respective Funding Agreement (Measure A) between the Town and the Transportation Authority of Marin (Authority), for the year ended June 30, 2014. These procedures were provided by the Authority. Town management is responsible for compliance with Measure A. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this 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 you requested us to perform and our findings are included in the attached schedule A.

We were not engaged to, nor did we, conduct an audit, the objective of which would be the expression of an opinion on the procedures performed. 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 specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

*Vavrinek, Trine, Day & Co., LLP.*  
Pleasanton, California  
December 24, 2014

## TOWN OF ROSS

### AGREED UPON PROCEDURES SCHEDULE A JUNE 30, 2014

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1. Obtain original Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments for the fiscal year or for the period during which funding is utilized for an approved project.

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

2. Review Funding Agreement/Contract, Allocation Request, and Funding Agreement/Contract Amendments to determine total funding provided by the applicable Strategy for the fiscal year or for the projects being audited.

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

3. Interview finance staff regarding internal controls in the following areas, specific to, but not limited to, accounting for Measure A funding, to obtain an understanding of the entity's operations:
  - a. Cash Disbursements — Review policies and procedures regarding approval, defacements, accounts payable check processing, and other matters related to the disbursement of funds.
  - b. Cash Receipts — Review policies and procedures regarding cash handling of over-the-counter receipts and cash receipts received through the mail, bank deposits, bank reconciliations, and other matters related to the receipt of funds.

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

4. Obtain all invoices submitted to the Authority for reimbursements, if applicable.

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

5. Obtain supporting documentation for all invoices submitted to the Authority for reimbursements; including construction, personnel, project management, consultants, and other related costs.

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

6. Obtain general ledger detail for revenue and expenditures charged to the Measure A funding source or equivalent reports where income and expenses associated with Measure A funds can be clearly identified.

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

7. Review remittances from the Authority to ensure that all revenues are correctly coded to the specific cost center or fund code designated for Measure A funding.

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

8. For reimbursement-based agreements, review all invoices submitted to the Authority to ensure that the costs being billed on the invoices reconcile with the ones being charged to the specific Measure A cost center in the entity's financial accounting system.

*Findings:* All agreements and related expenditures were advance based for the June 30, 2014 fiscal year; therefore, this procedure is not applicable.

## TOWN OF ROSS

### AGREED UPON PROCEDURES SCHEDULE A JUNE 30, 2014

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9. For reimbursement-based agreements/contracts, expenditures charged to the specific cost center or fund code designated for Measure A funding are selected, on a random basis, and tested for the following attributes:
- Approval — Review invoices and supporting documentation to ensure that the proper review and approval process occurs and is documented on the invoice.
  - Invoice — Review invoices and supporting documentation to ensure that they are mathematically accurate, properly addressed to the auditee, and have sufficient detail to justify the amounts being charged and the cost center or fund code to which it is being charged to.
  - Coding — Review invoices and supporting documentation to ensure that they have been correctly coded to the specific cost center or fund code designated for Measure A funding.
  - Allowable — Review invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A funding are allowable costs based on the Measure A Expenditure Plan, the entity's funding agreement with the Authority, and specific requirements of the Strategy for which the funds were restricted for. Also, review expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

*Findings:* All agreements and related expenditures were advance based for the June 30, 2014 fiscal year; therefore, this procedure is not applicable.

10. For entities receiving funding in advance for Strategy 3 under a Measure A funding agreement, review, in summary form, various invoices to verify that expenditures being charged to the specific cost center or fund code restricted for Measure A are reasonable for the project. In addition, expenditures are also tested in the same fashion as outlined in step 9 of this list as follows:
- Approval — Review invoices and supporting documentation to ensure that the proper review and approval process occurs and is documented on the invoice.

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

- Invoice — Review invoices and supporting documentation to ensure that they are mathematically accurate, properly addressed to the auditee, and have sufficient detail to justify the amounts being charged and the cost center or fund code to which it is being charged to.

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

- Coding — Review invoices and supporting documentation to ensure that they have been correctly coded to the specific cost center or fund code designated for Measure A funding.

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

- Allowable — Review invoices and supporting documentation to ensure that the costs being charged to the specific cost center or fund code designated for Measure A funding are allowable costs based on the Measure A Expenditure Plan, the entity's funding agreement with the Authority, and specific requirements of the Strategy for which the funds were restricted for. Also, review expenditures to ensure that all costs are direct costs and not indirect costs or allocations of any kind.

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

## TOWN OF ROSS

### AGREED UPON PROCEDURES SCHEDULE A JUNE 30, 2014

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11. For entities where capital construction projects are funded utilizing Measure A Strategy 3 and 4 funding, obtain the necessary project files and review them for the following requirements:
- a. Procurement Process — Review procurement process of the project to ensure that the project is properly advertised in publications, internet, trade journals and/or other acceptable means. If other means of procurement, such as selective RFP submittals are followed, determine whether the process is adequate in regards to the project. Review any other evidence of procurement when appropriate, such as fax logs or mailing lists.
  - b. Bids and Proposals — Review bids and proposals received to ensure that sufficient bids are received in regards to the project.
  - c. Bid Award — Review City/Town Council Agendas and Minutes along with Staff Reports in regards to the bid award to ensure that the contract for the project is properly approved by Department Heads and the City/Town Council and is properly documented in a public forum. Also, review bidding results to ensure that the lowest bid is selected, and if the lowest bid is not selected, that there is sufficient documentation for any other selection process utilized.

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

12. For entities where professional service contracts are paid utilizing Measure A funding, with regards to construction projects or other purposes, review the policies and procedures of the entity in question to ensure that internal policies and procedures are followed in regards to the selection of professional service firms.

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

13. For entities where capital construction projects are paid utilizing Measure A Strategy 3 and 4 funding, review any applicable environmental review requirements and review documentation to verify that all reports and reviews are performed prior to the start of any construction.

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

14. For entities where personnel costs are charged to the specific cost center or fund code designated for Measure A funding, we select a representative sample of charges for personnel costs and test for the following:

- a. Recalculation — Review and reconcile wage rates from personnel costs charged to Measure A cost center or fund code to the entity's payroll registers to ensure that wage rates being charged are accurate and properly approved; review all benefits and fringe costs being allocated in addition to wage rates to ensure that they are accurate and appropriate; recalculate personnel costs utilizing wage rates and hours being charged to ensure that the amounts are mathematically accurate; review the calculation to ensure no indirect costs are included in the reimbursement request.
- b. Timesheet — Review timesheets for selected personnel costs to ensure that hours being charged to Measure A are properly supported with an approved timesheet. All charges to Measure A funding must be clearly documented on timesheets, detailing the number of hours and the funding source, on a daily basis. Also review timesheets for selected personnel costs to ensure that signatures of both the employee and supervisor are present. Electronic time documentation methods must also have similar electronic signatures.

*Findings:* Management represented to us that no personnel costs were charged to the Measure A projects. Accordingly this procedure was not performed.

**TOWN OF ROSS**

**AGREED UPON PROCEDURES SCHEDULE A  
JUNE 30, 2014**

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15. Obtain close-out reports, from completed capital construction projects, submitted to the Authority.

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

16. Review close-out reports to ensure that they are submitted within 90 days and are properly certified in accordance with the entity's funding agreement/contract with the Authority.

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