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**WESTSIDE TRANSIT LINES
(A Division of ATC/Vancom Management
Services Limited Partnership)**

**FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION WITH INDEPENDENT
AUDITOR'S REPORT THEREON
YEARS ENDED DECEMBER 31, 1998 AND 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reporting, entity and other appropriate public officials. The report is available for public inspection at the Union Bridge office of the Legislative Audit for and, where appropriate, at the office of the parish clerk of court.

Release Date: 5/7/02

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	i
FINANCIAL STATEMENTS	
<i>Balance Sheets</i>	3
<i>Statements of Operations and Divisional Equity</i>	4
<i>Statements of Cash Flows</i>	5
<i>Notes to Financial Statements</i>	6
SUPPLEMENTAL INFORMATION	
<i>Statements of Income</i>	11
COMPLIANCE SECTION	
<i>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	12
SINGLE AUDIT SECTION	
<i>Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-113</i>	14
<i>Schedule of Findings and Questioned Costs</i>	36
<i>Summary Schedule of Prior Audit Findings Related to Federal Award Programs</i>	48
<i>Corrective Action Plan</i>	59
<i>Schedule of Expenditures of Federal Awards</i>	20

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INDEPENDENT AUDITOR'S REPORT

To **Westside Transit Lines**
(A Division of ATC/Vancom Management Services Limited Partnership)

We have audited the balance sheets of **Westside Transit Lines** (A Division of ATC/Vancom Management Services Limited Partnership) as of December 31, 1998 and 1997, and the related statements of operations and divisional equity and the statements of cash flows for the years then ended. These financial statements are the responsibility of **Westside Transit Lines'** management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with generally accepted auditing standards, and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Government Accounting Standards Board Technical Bulletin 98-1, *Disclosure about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. **Westside Transit Lines** has included such disclosures in Note 7. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support **Westside Transit Lines'** disclosures with respect to the Year 2000 issue made in Note 7. Further, we do not provide assurance that **Westside Transit Lines** is or will be year 2000 ready, that **Westside Transit Lines'** year 2000 remediation efforts will be successful in whole or in part, or that parties with which **Westside Transit Lines** does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the financial statements referred to above present fairly, in all material aspects, the financial position of **Westside Transit Lines** as of December 31, 1998, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated March 5, 1999, on our consideration of Westside Transit Lines' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements of Westside Transit Lines. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. Also, the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Roberts & Company

March 5, 1999

FINANCIAL STATEMENTS

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancor Management Services Limited Partnership)
BALANCE SHEETS
December 31, 1998 and 1997

	1998	1997
ASSETS		
CURRENT ASSETS		
Cash	\$ 298,206	\$ 265,539
Due from Jefferson Parish	19,240	131,538
Prepaid expenses	149,299	97,969
Due from ATC/Vancor Management Services Limited Partnership	11,409	11,409
TOTAL CURRENT ASSETS	478,154	506,456
TOTAL ASSETS	\$ 478,154	\$ 506,456
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 14,590	\$ 58,435
Accrued expenses	213,115	192,735
Due to Jefferson Parish	22,804	-
Deferred operating subsidy	79,592	137,783
Due to ATC/Vancor Management Services Limited Partnership	18,152	37,592
TOTAL CURRENT LIABILITIES	478,154	506,466
TOTAL LIABILITIES	478,154	506,466
INVESTORIAL EQUITY		
DUE TO ATC/VANCOR MANAGEMENT SERVICES LIMITED PARTNERSHIP	-	-
TOTAL LIABILITIES AND INVESTORIAL EQUITY	\$ 478,154	\$ 506,466

See accompanying notes to the financial statements.

WESTSIDE TRANSIT LINES
 (A Division of ATCO/Amcor Management Services Limited Partnership)
STATEMENTS OF OPERATIONS AND DIVISIONAL EQUITY
 Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES	\$ 2,108,815	\$ 1,808,846
EXPENSES		
Operating	3,901,590	4,818,855
Capital project	<u>13,385</u>	<u>155,585</u>
TOTAL EXPENSES	<u>3,914,975</u>	<u>4,974,440</u>
LOSS BEFORE SUBSIDIES	<u>1,806,180</u>	<u>2,366,574</u>
SUBSIDIES		
Operating	1,792,435	2,114,809
Capital project	<u>13,385</u>	<u>155,585</u>
TOTAL SUBSIDIES	<u>1,805,820</u>	<u>2,369,574</u>
EXCESS OF REVENUES OVER EXPENSES	-	-
DIVISIONAL EQUITY		
Beginning of Year	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancouver Management Services Limited Partnership)
STATEMENTS OF CASH FLOWS
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ -	\$ -
Adjustments to reconcile to - change in revenues over expenses to net cash provided by operating activities:		
(Increase) decrease in due from Jefferson Parish	114,296	(123,533)
(Increase) decrease in prepaid expenses	(51,319)	(5,480)
(Increase) decrease in due from ATC/Vancouver Management Services Limited Partnership	-	-
Increase (decrease) in accounts payable	(43,842)	(45,028)
Increase (decrease) in accrued expenses	129,378	(5,268)
Increase (decrease) in due to Jefferson Parish	52,804	(51,488)
Increase (decrease) in deferred operating liability	(158,200)	55,389
Increase (decrease) in due to ATC/Vancouver Management Services Limited Partnership	(1,329)	5,480
Total Adjustments	<u>32,767</u>	<u>(183,351)</u>
Net Cash Provided (Used) by Operating Activities	<u>32,767</u>	<u>(183,351)</u>
CASH FLOW FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	32,767	(183,351)
Cash at Beginning of Year	<u>365,518</u>	<u>448,869</u>
Cash at End of Year	<u>\$ 398,285</u>	<u>\$ 265,518</u>

See accompanying notes to the financial statements.

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancom Management Services Limited Partnership)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 1998 and 1997

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Westside Transit Lines (the Division) is a division of ATC/Vancom Management Services Limited Partnership. As a division of ATC/Vancom, Westside Transit Lines operates a public bus transportation system in Jefferson Parish, Louisiana. The system is currently operated under a management agreement between ATC/Vancom and Jefferson Parish.

As part of that agreement, Jefferson Parish subsidizes the operation of the bus system, in amounts necessary for the system to operate at break-even on an annual basis, using a combination of local and federal funds.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Westside Transit Lines recognizes revenue when earned and expenses when incurred. This basis of accounting conforms to generally accepted accounting principles.

Cash Equivalents

Cash equivalents represent highly liquid investments with maturities of three months or less at the date of purchase. There were no cash equivalents as of December 31, 1998 and 1997.

Receivables

Westside Transit Lines uses the allowance method to account for uncollectible receivables. All receivables were fully collectible at year end; therefore, no allowance has been provided.

Property and Equipment

All property and equipment used in the operation of Westside Transit Lines is the property of Jefferson Parish. Accordingly, these assets are included in the financial statements of the Parish.

Income Taxes

Westside Transit Lines' parent company, ATC/Vancom Management Services Limited Partnership, is not a taxpaying entity for purposes of federal and state income taxes, but is a pass-through entity, with each partner responsible for income taxes on its proportionate share of the partnership's income. As a division of ATC/Vancom, Westside Transit Lines is not a

WESTSIDE TRANSIT LINES
 (A Division of ATC/Vancom Management Services Limited Partnership)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 December 31, 1998 and 1997

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

separate legal entity and is therefore not a taxpayer entity. Accordingly, these statements contain no provision for federal or state income taxes.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits. The Company at times has cash on deposit at financial institutions that is in excess of federally insured limits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 - MANAGEMENT AGREEMENT

ATC/Vancom Management Services, LP entered an agreement with the Parish of Jefferson under which it agreed to manage the operation of the public transit system on the West Bank of Jefferson Parish from January 1, 1998 through December 31, 2001. As compensation for the management of the Transit system, ATC/Vancom Management Services, LP received the following fees from Westside Transit Lines for the years ending December 31, 1998 and 1997:

	1998	1997
Management Fee	<u>\$ 185,000</u>	<u>\$ 285,000</u>
Accounting Services	<u>\$ 82,082</u>	<u>\$ 55,188</u>

In addition to the amounts above, ATC/Vancom Management Services, LP, earned the following incentive fees under the terms of its contract with Jefferson Parish for the years ending December 31, 1998 and 1997:

	1998	1997
Incentive Fee	<u>\$ 15,880</u>	<u>\$ 5,000</u>

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancom Management Services Limited Partnership)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 1998 and 1997

NOTE 2 - MANAGEMENT AGREEMENT (CONTINUED)

The Parish is required to provide sufficient funds to Westside Transit Lines to pay all operating expenses, as defined in the agreement of the transit system. As a result, the following funds were received by Westside Transit Lines from Jefferson Parish to pay these management and accounting fees:

	1998	1997
Management Fee	\$ 185,808	\$ 265,496
Accounting Services	\$ 62,682	\$ 58,188

NOTE 3 - SUBSIDIES

Operating Subsidies

Jefferson Parish subsidizes Westside Transit Lines in amounts necessary to operate the system at break-even. For the years ended December 31, 1998 and 1997, the Parish provided operating subsidies of \$1,782,475 and \$2,114,009, respectively.

Capital Subsidies

Westside Transit Lines contracts for significant repairs and restoration of transportation equipment owned by Jefferson Parish, and purchases capital items which are titled in the name of the Parish. Westside Transit Lines receives a capital subsidy from the Parish equal to the amount of cost incurred. For the years ended December 31, 1998 and 1997, capital subsidies totaled \$13,309 and \$15,565, respectively.

NOTE 4 - RELATED PARTY TRANSACTIONS

Due From ATC/Vancom Management Services, LP

In 1995 and prior years, Westside Transit Lines incurred \$8,572 in cost which was disallowed by Jefferson Parish as unnecessary for the proper administration of the transit system. In 1995, ATC/Vancom Management Services, LP reimbursed Westside Transit Lines \$1,850 of disallowed cost, leaving a balance due from ATC/Vancom of \$7,512 at December 31, 1998 and 1997.

WESTSIDE TRANSIT LINES
 (A Division of ATC/Vancouver Management Services Limited Partnership)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 December 31, 1998 and 1997

NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

In 1994, the Westside Transit Lines exceeded its Labor (Section II) contract cost by \$17,336 for the three-month period ended March 31, 1994. In 1993, ATC/Vancouver Management Services, LP reimbursed Westside Transit Lines \$13,889 of the excess cost, leaving a balance due from ATC/Vancouver of \$3,447 at December 31, 1998 and 1997.

As a result of the disallowed costs and excess labor costs discussed above, Westside Transit Lines has amounts due from ATC/Vancouver Management Services, LP totaling \$11,449 at December 31, 1998.

Due To ATC/Vancouver Management Services, LP

During the term of its contract, ATC/Vancouver Management Services, LP earned incentive fees as shown below, as a result of the Company not exceeding its Labor (Section II) and Maintenance and Operations (Section II) contract costs. In addition, ATC/Vancouver Management Services, LP paid certain expenses on behalf of Westside Transit Lines in prior years, as shown below.

<u>Incentive Earned</u>	<u>1998</u>	<u>1997</u>
1995	\$ -	\$ 9,385
1996	-	4,589
1997	3,400	5,400
1998	<u>13,889</u>	
Total incentive earned	\$ 19,289	\$ 19,374
Accounts paid on behalf of Westside Transit Lines in prior years	\$ (7,840)	\$ (1,128)
Due to ATC/Vancouver	<u>\$ 11,449</u>	<u>\$ 18,246</u>

NOTE 5 - PENSION PLAN

Westside Transit Lines has a defined contribution pension plan covering substantially all employees who have completed one year of service. Employee contributions to the plan are based on a percentage of earnings. The Company contributes 150% of each participant's mandatory employee contributions to the plan.

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancom Management Services Limited Partnership)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 1998 and 1997

NOTE 5 - PENSION PLAN (CONTINUED)

Although it has expressed an intent to do so, Westside Transit Lines has the right to terminate the Plan, subject to certain limitations established in its collective bargaining agreement with the Amalgamated Transit Union. Upon termination, the rights of each participant to the amounts in his employer contribution account would become fully vested.

The total pension cost charged to operations approximated \$183,000 and \$179,300 in 1998 and 1997, respectively.

NOTE 6 - UNION AGREEMENT

Westside Transit Lines entered into an agreement with the Amalgamated Transit Union, Division No. 1480, which represents its operators, mechanics, and support personnel, effective from June 1, 1997 through May 31, 2001.

NOTE 7 - YEAR 2000 ISSUE (UNAUDITED)

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the entity's operations as early as fiscal year 1999.

ATC/Vancom Management has contracted their computer consultants regarding a Year 2000 project. At the time of this report, ATC/Vancom Management was testing its information systems for Year 2000 compliance. ATC/Vancom Management has established a budget for determining its Year 2000 compliance status and has substantially completed the project. ATC/Vancom Management has assumed responsibility for this project and expects to be complete by June 30, 1999.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully discernible until the year 2000 and thereafter. Management cannot be assured that the entity is or will be year 2000 ready, that its remediation efforts will be successful in whole or in part, or that parties with whom it does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION

WESTSIDE TRANSIT LINES
 (A Division of ATCS/Vanoss Management Services Limited Partnership)
SUPPLEMENTAL INFORMATION - STATEMENTS OF INCOME
 Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating Revenues		
Passenger revenue	\$ 2,877,075	\$ 1,856,058
Advertising revenue	<u>32,040</u>	<u>37,988</u>
Total Operating Revenues	<u>\$ 2,909,115</u>	<u>\$ 1,894,046</u>
Operating Expenses		
Management fee - Section A	\$ 185,000	\$ 185,486
Labor costs - Section B	2,465,832	2,215,665
Maintenance and operations cost - Section D	287,032	251,044
Fuel-fare costs - Section E	1,061,111	1,221,321
Fuel-fare costs - Section F	18,745	41,128
Incentive fee	<u>13,880</u>	<u>5,400</u>
Total Operating Expenses	<u>\$ 3,961,590</u>	<u>\$ 4,018,044</u>

See independent auditor's report.

COMPLIANCE SECTION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Westside Transit Lines

(A Division of ATC/Vanover Management Services Limited Partnership)

We have audited the financial statements of **Westside Transit Lines** (A Division of ATC/Vanover Management Services Limited Partnership) as of and for the years ended December 31, 1998 and 1997, and have issued our report thereon dated March 3, 1999. In our report on the financial statements, our opinion was qualified because, as described in the third paragraph, we were unable to obtain sufficient documentation supporting **Westside Transit Lines'** disclosures with respect to the Year 2000 issue made in Note 7.

Except as discussed in the preceding paragraph, we conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether **Westside Transit Lines'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered **Westside Transit Lines'** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or

operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal auditing agencies and pass-through entities and the Legislative Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties.

PricewaterhouseCoopers

March 5, 1999

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To **Westside Transit Lines**
(A Division of ATO/Vancom Management Services Limited Partnership)

Compliance

We have audited the compliance of **Westside Transit Lines** with the types of compliance requirements described in the U.S. Office of Management and Budget's (OMB) Circular *A-133 Compliance Requirements* that are applicable to each of its major federal programs for the year ended December 31, 1998. In our report on the financial statements, our opinion was qualified because, as described in the third paragraph, we were unable to obtain sufficient documentation supporting **Westside Transit Lines'** disclosures with respect to the Year 2000 issue made in Note 7. **Westside Transit Lines'** major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of **Westside Transit Lines'** management. Our responsibility is to express an opinion on **Westside Transit Lines'** compliance based on our audit.

Except as discussed in the preceding paragraph, we conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular *A-133, Audit of State, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular *A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Westside Transit Lines'** compliance with these 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. Our audit does not provide a legal determination on **Westside Transit Lines'** compliance with these requirements.

In our opinion, **Westside Transit Lines** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

Internal Control Over Compliance

The management of **Westside Transit Lines** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered **Westside Transit Lines'** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities, and the Legislative Auditor, and is not intended to be, and should not be, used by anyone other than those specified parties.

Deloitte & Company

March 3, 1999

WESTSIDE TRANSIT LINES
(A DIVISION OF ATCVANCOM Management Services Limited Partnership)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 1988

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion, except for footnote number 7 related to Year 2000 Compliance which is unaudited, on the financial statements of Westside Transit Lines.
2. No material weaknesses in internal control relating to the audit of the financial statements are reported in the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Westside Transit Lines were disclosed during the audit.
4. No material weaknesses in internal control relating to the audit of the major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-113*.
5. The auditor's report on compliance for the major federal award programs administered by Westside Transit Lines expresses an unqualified opinion.
6. The auditor's reports disclosed no findings that are required to be reported under Section 310(a) of OMB Circular A-113.
7. The following programs were identified as major programs:
 - U. S. Department of Transportation, Federal Transit Administration
Federal Transit Operating and Capital Assistance Grants - CFDA 20.507
8. The threshold for distinguishing Type A and Type B programs was \$300,000.
9. Westside Transit Lines qualified as a low-risk auditee under the provisions of Section 310 of OMB Circular A-113.

WESTSIDE TRANSIT LINES
(A DIVISION OF ATCO/AMCOR MANAGEMENT SERVICES LIMITED PARTNERSHIP)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended December 31, 1998

B. FINDINGS REQUIRED TO BE REPORTED – FINANCIAL STATEMENT AUDIT

There were no audit findings that are required to be reported in accordance with generally accepted government auditing standards.

C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no audit findings as defined in Section .518(a) of OMB Circular A-133 that are required to be reported in this section of the report.

WESTSIDE TRANSIT LINES
(A DIVISION OF ATC/VANCOUVER MANAGEMENT SERVICES LIMITED PARTNERSHIP)

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS RELATED TO
FEDERAL AWARD PROGRAMS**
Year Ended December 31, 1998

A. FINDINGS

There are no audit findings for the year ended December 31, 1998, that were reported under the provision of generally accepted auditing standards.

WESTSIDE TRANSIT LINES
(A Branch of ATC/Vancou Management Services Limited Partnership)

CORRECTIVE ACTION PLAN
Year Ended December 31, 1998

There were no audit findings reported in the *Schedule of Findings and Questioned Costs*. Accordingly, no corrective action plan is required to be submitted by Westside Transit Lines' management.

WESTSIDE TRANSIT LINES
 (A DIVISION OF ATC/FACOM MANAGEMENT SERVICES LIMITED PARTNERSHIP)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 1998

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Grant Year Ended	Revenue Recognized	Expenses
<u>U.S. Department of Transportation, Federal Transit Administration</u>					
Passed through the Jefferson Parish Council, Jefferson Parish, Louisiana					
Federal Transit Operating Assistance Grant	20-007	LA-98-0163	02/01/98	\$243,375	\$243,375
Federal Transit Capital Assistance Grant	20-500	LA-98-0075	03/30/98	15,266	15,266
Total federal awards				<u>\$258,641</u>	<u>\$258,641</u>
<u>Reconciliation of Jefferson Parish activity to federal awards</u>					
Local share of activity					\$1,289,890
Federal activity					<u>158,482</u>
Total activity from Jefferson Parish					<u>\$1,448,372</u>

NOTE A - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards has been prepared using the accrual basis of accounting, in accordance with generally accepted accounting principles. The accrual basis of accounting has also been used in preparing the financial statements, as disclosed in Note 1.

NOTE B - PASS-THROUGH AWARDS

Westside Transit Lines did not pass-through any of its federal awards to a subrecipient during the year ended December 31, 1998.

WESTSIDE TRANSIT LINES
(A Division of ATC/Vancom Massachusetts Services Limited Partnership)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended December 31, 1998

NOTE C - NON-CASH ASSISTANCE

No federal awards were expended in the form of non-cash assistance during the year ended December 31, 1998.