



Proprietary & Confidential

FINAL REPORT

City of Stockton

2023 LAZ PARKING CONTRACT AUDIT

July 1, 2024

Moss Adams LLP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500



Table of Contents

| | |
|--|-----------|
| I. Executive Summary | 1 |
| A. Background, Scope, and Methodology | 1 |
| B. Summary of Findings and Recommendations | 1 |
| II. Background, Scope, and Methodology | 3 |
| A. Project Background | 3 |
| B. Scope and Methodology | 3 |
| C. Commendations | 3 |
| III. Findings and Recommendations | 5 |
| A. Revenue Remitted and Revenue Controls | 5 |
| B. Operating Cost Reimbursements | 7 |
| C. Required Reporting | 10 |
| Appendix A: Revenue Reporting Variances | 12 |
| Appendix B: Unsupported Expenditure Submissions | 14 |
| Appendix C: Inaccessible and incomplete revenue records | 15 |

I. EXECUTIVE SUMMARY

A. BACKGROUND, SCOPE, AND METHODOLOGY

LAZ Parking Ltd. LLC (LAZ) provides parking operating services to the City of Stockton (the City). As part of its annual audit plan, the City engaged its internal auditor, Moss Adams LLP (us, we), to perform a contract compliance audit. The purpose of this audit is to verify LAZ's compliance with revenue remission and revenue controls, operating cost reimbursement, cash handling procedures, and contractually required reporting. This engagement was performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accounts, as outlined in our Statement of Work.

We sampled four operating days to reconcile reported revenue against daily transaction reports, verified expenditures for four months to invoices, conducted a site visit, and interviewed LAZ personnel on business processes. We conducted our review between June 2023 and March 2024 and covered the period of July 1, 2021 through June 30, 2022

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS

We grouped our findings and recommendations into four categories: Revenue Remitted and Revenue Controls, Operating Cost Reimbursements, Cash Handling Processes, Required Reporting.

| FINDINGS AND RECOMMENDATIONS | |
|---------------------------------------|--|
| Revenue Remitted and Revenue Controls | |
| Finding | During our review of the four sampled days, we noted instances where revenue was over- and underreported to the City, resulting in a net underreporting of revenue totaling \$4.10 (\$33.10 – \$29.00). This consisted of three instances of overreported revenue totaling \$29, and four instances of underreported revenue totaling \$33.10. While these differences are nominal, accurate revenue reporting is essential for key stakeholders to make accurate and confident decisions. |
| 1. | <p>To ensure accuracy in revenue reporting, LAZ should implement training and update policies and procedures to ensure that:</p> <ul style="list-style-type: none"> Cash overages and shortages continue to be reconciled in daily reports and any discrepancies are followed up and remedied in a timely manner. Variations in reported revenue are tracked and communicated to the City. All daily transaction report packages include appropriate supporting documentation, including cover sheets and Clover system detail summaries. |
| Recommendation | |

| FINDINGS AND RECOMMENDATIONS | | |
|--------------------------------------|-----------------------|---|
| 2. | Finding | During our review of the four sampled days, we identified \$1,490.00 in monthly parking revenue that did not have supporting transaction documentation readily available for review as required in LAZ's contract (Section 5.4 Article A). |
| | Recommendation | LAZ should ensure documentation of all revenue-generating transactions is maintained in compliance with the contract between LAZ and the City. |
| Operating Cost Reimbursements | | |
| 3. | Finding | During our review of the expenditures for the four sampled months, we noted a total of \$7,106.06 of expenses submitted for reimbursement did not have adequate supporting documentation to confirm compliance with the contract. |
| | Recommendation | LAZ should ensure all staff are trained on recordkeeping policies and procedures so that supporting documentation for reimbursed expenses is consistently retained. |
| Opportunities for Improvement | | |
| 4. | Finding | During our review of the sampled monthly expenses, we noted LAZ included fuel and gas expenses within its maintenance expense category instead of the fuel and gas expense category. |
| | Recommendation | To promote transparency and consistency, LAZ should review its expense categorization methodology for consistency and alignment with the Article 5.7, Operating Expenses, of the Contract to support compliance and accurate reporting. LAZ should document its revision of expense definitions or accounting practices in updated policies and procedures. Any updates to the categorizations and definitions should be reviewed and approved by the City. |
| Required Reporting | | |
| 5. | Finding | LAZ retains records and other documents for operational reporting both digitally and in a paper format. This documentation is archived on site as well as at off-site locations that are difficult to retrieve documents from. On occasion, this created difficulty in obtaining the requested documentation in a timely manner. |
| | Recommendation | LAZ should continue to pursue revenue system upgrades and changes to move towards an integrated paperless electronic recordkeeping system. A fully integrated and digital recordkeeping system can simplify how documents are retained and can also facilitate managerial review for accuracy. Leveraging systems for recordkeeping functionality can help create operational agility and an environment conducive to proactive review. |

II. BACKGROUND, SCOPE, AND METHODOLOGY

A. PROJECT BACKGROUND

The City of Stockton (the City) contracted with LAZ Parking Ltd. LLC (LAZ) to provide parking operating services for 16 lots and on-street parking within the city. As part of the City's audit plan, it engaged its internal auditor, Moss Adams LLP (us, we), to perform a contract compliance audit and verify LAZ's compliance with contractual responsibilities. This engagement was performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accounts, as outlined in our Statement of Work

B. SCOPE AND METHODOLOGY

We designed our review to assess LAZ's compliance with its contract with the City and to identify opportunities for increasing operational efficiency. We conducted our audit between June 2023 and March 2024 through four major phases:

1. **Project Initiation and Management:** We created our audit plan by identifying employees to interview and documents to review, and ensured regular reporting channels were established to communicate project status and facilitate overall project management.
2. **Fact Finding:** We conducted a site visit, interviewed key personnel, reviewed documentation, and performed detailed testing to obtain the most currently available information and insights.
 - Site Visit:* We visited the Stockton LAZ office in November 2023. While on site, we reviewed documentation and observed recordkeeping and management practices.
 - Interviews:* We discussed current business processes and conditions with the LAZ Portfolio Manager and Operations Manager.
 - Document Review:* We reviewed documents including policies, procedures, organization charts, budgets, department forms, and planning documents.
 - Detailed Testing:* We sampled four operating days to tie out daily transactions to daily revenue reports and four months to vouch expense reimbursements submitted to the City to review compliance with contract requirements.
3. **Analysis:** We evaluated the importance, impact, and scope of our findings based on information gathered to develop findings and recommendations to enhance efficiency.
4. **Reporting:** We concluded the project by reviewing draft findings and recommendations with the City and LAZ to validate facts and confirm the practicality of the recommendations we identified.

C. COMMENDATIONS

Based on the insights gathered through on-site observation, interviews, and document review, it is evident that LAZ has several commendable organizational attributes. We believe the below are particularly notable:

Operational Adaptability – Despite navigating a system change to a portion of their operating lots and IT complications that impede daily workflow, LAZ staff facilitated an organized site visit. Additionally, we noted multiple documented instances of LAZ staff using another lot's credit card processing system to work around disruptions at their lot.

We would like to thank City and LAZ leadership and staff for their cooperation in this audit.

III. FINDINGS AND RECOMMENDATIONS

Based on the input gathered from interviews, document review, and testing, as well as comparisons to best practices, we prepared a set of finding and recommendations, presented in four categories: Revenue Remitted and Revenue Controls, Operating Cost Reimbursements, Cash Handling Processes, Required Reporting. The findings and recommendations for each category are detailed below.

A. REVENUE REMITTED AND REVENUE CONTROLS

Revenue Reporting Variances

| | |
|----------------|---|
| 1. Finding | <p>During our review of the four sampled days, we noted instances where revenue was over- and underreported to the City, resulting in a net underreporting of revenue totaling \$4.10 (\$33.10 – \$29.00). This consisted of three instances of overreported revenue totaling \$29, and four instances of underreported revenue totaling \$33.10. While these differences are nominal, accurate revenue reporting is essential for key stakeholders to make accurate and confident decisions.</p> |
| Recommendation | <p>To ensure accuracy in revenue reporting, LAZ should implement training and update policies and procedures to ensure that:</p> <ul style="list-style-type: none"> ● Cash overages and shortages continue to be reconciled in daily reports and any discrepancies are followed up and remedied in a timely manner. ● Variances in reported revenue are tracked and communicated to the City. ● All daily transaction report packages include appropriate supporting documentation, including cover sheets and Clover system detail summaries. |

Our review consisted of selecting one day from each of the sampled months (July 12, 2021, December 2, 2021, April 30, 2022, and May 10, 2022) for a total daily revenue reviewed of \$63,978.16, or 1.59% of the total monthly revenue reported (\$63,978.16 / \$4,028,979.75). Our procedures consisted of reconciling all of the revenue reported by source (i.e. garages, lots, validations, events, etc.) for each sampled day to supporting documentation for revenue (i.e. daily cash reports and counts, credit card system reports, variance reports, etc.). During our review of the four sampled days, we noted instances where revenue was both over- and underreported, resulting in a net underreported \$4.10 of revenue. This amount consists of three instances of overreported revenue totaling \$29.00, and four instances of underreported revenue totaling \$33.10, detailed in Appendix A.

According to LAZ’s statement of work Section 5.4 Article A, LAZ shall “maintain complete records showing all revenue collected and all expenditures made in connection with the operation of the identified facilities along with such supporting data and documents.” It appears many of the variances may be the result of coin collector issues or cashier miscalculations and errors in collections. As errors will occur in the ordinary course of business, it is critical for LAZ to comprehensively track and report all revenue variances it experiences to the City, including essential information for key

stakeholders to address any variances (i.e., date of over/underreporting, lot/location, source/cause, etc.). As identified in our testing, variances may counteract each other resulting in no financial impact. However, as LAZ works to minimize the frequency of errors and improve its accuracy, it should monitor the instances to ensure all revenues owed have been remitted.

LAZ should ensure that cash collection overages and shortages continue to be captured in daily reports, variances in reported revenue are tracked and communicated to the City, and all daily transaction report packages include appropriate supporting documentation, including cover sheets and Clover system detail summaries. The City and LAZ should consider developing training for its staff that explains the common sources of revenue variances, how to document any errors, how to resolve potential errors, and how over- and underreported revenue should be documented, tracked, and reported to key stakeholders.

Accurately reporting revenue is important to provide key stakeholders with visibility into current operations, efficiencies, and potential challenges. A comprehensive report tracking over- and underreported revenue can ensure key stakeholders have an accurate picture and understanding of parking operations and common recurring errors.

| | |
|----------------------|---|
| LAZ Response | <ul style="list-style-type: none"> ● Due to timing of credit card batching and reconciliation, cash overages and shortages will continue to be reconciled in daily reports and any discrepancies will be followed up and remedied in a timely manner. ● We track all variances in reported revenue and expenses and communicate this to the City during our monthly financial reviews. A variance report is also provided to the City for their review. ● All daily transaction report packages will continue to include appropriate supporting documentation. |
| City Response | The City recognizes the findings and looks forward to future digital storage process improvement now possible with the installation of a new Revenue Control System, installed in the first half of 2024. |

Inaccessible and Incomplete Revenue Records

| | |
|-----------------------|---|
| 2. Finding | During our review of the four sampled days, we identified \$1,490.00 in monthly parking revenue that did not have supporting transaction documentation readily available for review as required in LAZ’s contract (Section 5.4 Article A). |
| Recommendation | LAZ should ensure documentation of all revenue-generating transactions is maintained in compliance with the contract between LAZ and the City. |

During our review we identified \$1,490.00 in monthly parking revenue that did not have invoices or other supporting documentation for the revenue. We summarized these items in Appendix C. Section 5.4, Article A of LAZ’s contract, states that LAZ shall “maintain complete records showing all revenue collected and all expenditures made in connection with the operation of the identified facilities along with such supporting data and documents.”

Upon inquiry, LAZ explained that it does not have record of online payment receipts or mailed-in payments to the lockbox located on site in Los Angeles, California, but it has remitted the appropriate monthly parker revenues to the City. We corroborated this assertion with the City and confirmed that the amounts reported had been submitted. The City acknowledged the limitations imposed on our planned audit procedures to verify the transactions to invoice or transaction support and stated that the outstanding monthly amounts appeared reasonable and aligned with current rates.

With current constraints outlined by LAZ, internal processes should be established to coordinate communication between local sites and the central processing site. The Los Angeles site should be able to communicate the receipt of online and mail-in payments to the appropriate local site. LAZ could facilitate this coordination with a templated document that personnel at the Los Angeles site fill out to indicate the entity paying, the dollar value, and a description of the purchase. Furthermore, for relatively larger transactions for monthly parking, LAZ should develop a process for obtaining and recording the purchaser's purchase order or the fulfillment of an invoice.

| | |
|-----------------------------|--|
| <p>LAZ Response</p> | <p>LAZ did not have supporting documentation readily available for review due to our internal transition to a new monthly parking AR system—from “Paris” to “Subscriptions”. We no longer had immediate/on-site access to the legacy system’s data. We reached out to the IT department to download the invoice. The monthly parking AR system (PARIS) that we were using for the specific days that the invoices were requested was not the system that we are currently using or the system that we were using at the time of the audit. The invoices requested for back up were not readily accessible or available to the local team because the system was archived, and we had to reach out to our IT department to get them. Thus, this took a few days for us to get them. If PARIS was live at the time, we would have had the information readily available as is part of our normal operating procedures. We now use our proprietary system, Subscriptions, which we can obtain all information needed to provide back up, etc.</p> |
| <p>City Response</p> | <p>The City recognizes the findings and looks forward to future digital storage process improvement now possible with the installation of a new Revenue Control System, installed in the first half of 2024.</p> |

B. OPERATING COST REIMBURSEMENTS

Incomplete Expense Record Retention

| | | |
|-----------|------------------------------|--|
| <p>3.</p> | <p>Finding</p> | <p>During our review of the expenditures for the four sampled months, we noted a total of \$7,106.06 of expenses submitted for reimbursement did not have adequate supporting documentation to confirm compliance with the contract.</p> |
| | <p>Recommendation</p> | <p>LAZ should ensure all staff are trained on recordkeeping policies and procedures so that supporting documentation for reimbursed expenses is consistently retained.</p> |

LAZ submits a monthly report that details operating expenses by category for each location and in aggregate to the City. Our review consisted of sampling four months (July 2021, December 2021,

April 2022, and May 2022) for a total monthly expense reviewed of \$789,410.76, or 30.4% of the total monthly revenue reported (\$789,410.76 / \$2,593,870.04). Our procedures consisted of reconciling the expenses LAZ submitted for reimbursement by verifying the reported expenses were supported by documentation retained by LAZ on its Leapfile file retention portal.

Per Contract Section 5.4, Section A, the Contractor shall “maintain complete records showing all revenue collected and all expenditures made in connection with the operation of the identified facilities along with such supporting data and documents.” During our review of the four sampled months, we were unable to identify supporting documentation for \$7,106.06 in expenditures submitted for reimbursement. A detailed list of the unsupported expenditures is included in Appendix B.

It is important to keep all expenditure documentation to allow LAZ and the City to validate and monitor the cost of operations. Accurate cost reporting can provide deeper insight into operations, particularly areas of potential cost reduction, and serve as strong internal controls against fraud and waste. Submitting unallowed expenses can inflate operating costs and delay prompt payment. LAZ should review its recordkeeping policies and procedures to ensure they are updated and reflect current operations and ensure documentation is adequately maintained for all expenditures. Once this review and update is complete, LAZ should ensure all staff are provide initial and regular refresher training that outlines what and how documentation should be maintained.

LAZ Response

LAZ did not have supporting documentation readily available for review due to our internal transition to a new monthly parking AR system—from “Paris” to “Subscriptions”. We no longer had immediate/on-site access to the legacy system’s data. We reached out to the IT department to download the invoice. The monthly parking AR system (PARIS) that we were using for the specific days that the invoices were requested was not the system that we are currently using or the system that we were using at the time of the audit. The invoices requested for back up were not readily accessible or available to the local team because the system was archived, and we had to reach out to our IT department to get them. Thus, this took a few days for us to get them. If PARIS was live at the time, we would have had the information readily available as is part of our normal operating procedures. We now use our proprietary system, Subscriptions, which we can obtain all information needed to provide back up, etc.

City Response

The City recognizes the findings and looks forward to future digital storage process improvement now possible with the installation of a new Revenue Control System, installed in the first half of 2024.

Inconsistent Expense Categorization

| | |
|-----------------------|---|
| 4. Finding | During our review of the sampled monthly expenses, we noted LAZ included fuel and gas expenses within its maintenance expense category instead of the fuel and gas expense category. |
| Recommendation | To promote transparency and consistency, LAZ should review its expense categorization methodology for consistency and alignment with the Article 5.7, Operating Expenses, of the Contract to support compliance and accurate reporting. LAZ should document its revision of expense definitions or |

accounting practices in updated policies and procedures. Any updates to the categorizations and definitions should be reviewed and approved by the City.

Within our review of four sampled monthly expenses, we noted an instance where LAZ allocated fuel and gas expenses to its maintenance expense category. On its monthly invoice to the City, LAZ includes various income statements that list fuel/gas expenses and maintenance expenses as separate categories as part of its operating expenses. The operating expense categories reported generally agreed with the categorization within its file records portal. As a result, it is unclear whether LAZ typically captures fuel and gas expenses within the maintenance category, and how fuel and gas expenses categorized under maintenance expenses differ from similar expenses categorized under the fuel and gas expense category.

Upon inquiry, the Portfolio Manager for LAZ indicated that fuel and gas are included in the maintenance line item, and that total expenses across the three invoices uploaded to the May 2022 maintenance folder are divided into six fuel/gas allocations to various locations. We corroborated this explanation by examining the distribution report provided, noting the related invoice was allocated to fuel/gas expense for six locations. Given the expenditure is allocated to fuel/gas expenses, LAZ retaining the documentation under the maintenance category makes the relationship between the fuel/gas and maintenance categories unclear. This practice suggests a need for a clearer delineation between the two categories. Consistency in allocating operating expenses is critical for measuring performance over time and provides valuable information that can help leaders and stakeholders inform their decisions. It also enables comparative monitoring (for example, month-to-month, or year-over-year performance), and helps identify areas of concern or resourcing needs.

LAZ Response

Consolidating all expenses into a single category has significantly streamlined the budgeting process, especially when dealing with a multitude of expense categories and various allocation locations. This approach, which has received approval from the City, allows for a more straightforward overview of expenditures, facilitating easier tracking and management. Should the City direct us to change this approach, we will work closely with them to facilitate this.

City Response

The City will continue to review operating expenses monthly with the operator, LAZ. The City is generally fine with the consolidation of accounts with notice, given that LAZ has been responsive in providing detailed account back-up when requested by the City.

C. REQUIRED REPORTING

Digitization

| | | |
|----|----------------|---|
| 5. | Finding | LAZ retains records and other documents for operational reporting both digitally and in a paper format. This documentation is archived on site as well as at off-site locations that are difficult to retrieve documents from. On occasion, this created difficulty in obtaining the requested documentation in a timely manner. |
| | Recommendation | LAZ should continue to pursue revenue system upgrades and changes to move towards an integrated paperless electronic recordkeeping system. A fully integrated and digital recordkeeping system can simplify how documents are retained and can also facilitate managerial review for accuracy. Leveraging systems for recordkeeping functionality can help create operational agility and an environment conducive to proactive review. |

As noted in Finding Nos. 2 and 3, LAZ's decentralized recordkeeping structure occasionally created challenges in easily retrieving the necessary documentation for our detailed testing of revenues and expenditures. While LAZ was largely able to organize the requested documents for our on-site visit and testing, a handful of supporting items, including Clover credit card system reports and check copies for monthly parking sales, were missing from the assembled packets. LAZ's operational records are kept in a variety of ways including on-site paper files in segregated boxes, electronic copies of system-generated reports, and paper documents held at another location.

Because electronic records were available for some transactions, LAZ was able to provide the Clover reports upon further request. However, LAZ explained that documents to support the sales transactions of some monthly parking were processed and retained at the Los Angeles location and would require coordination with internal accounting personnel to source. LAZ can minimize the disconnect between on-site papers, locally accessible digital records, and less accessible electronic records at the corporate office with continued pursuit of a revised revenue system capable of fully integrated paperless recordkeeping.

| | |
|--------------|---|
| LAZ Response | <ul style="list-style-type: none"> LAZ Parking is at the forefront of embracing advanced technology and digitization, recognizing the transformative power these elements hold in shaping the future of business. We are committed to leveraging digital speed and agility to enhance our operational efficiency and customer experience. By adopting a digital-first approach, we continuously explore innovative solutions that drive progress and foster sustainable growth. Our strategic investments in technology and data analytics enable us to make informed decisions and adapt swiftly to market changes. This dedication not only positions us as a leader in our industry but also demonstrates our unwavering commitment to delivering excellence through digital innovation. The digitization of documents for the City of Stockton has been a complex process, particularly due to existing technology and equipment that are not conducive to such a transition. Additionally, the process of digitizing must ensure that the integrity of the original documents is maintained, which includes accurately and clearly reproducing signatures and other written and graphic images. This is critical when documents must be stored and maintained as per our contract requirements, which stipulate specific conditions for handling, storing, and disposing of contract files. With the recent upgrade of parking |
|--------------|---|

City Response

equipment, we will continue making digitization a priority where it makes sense and is conducive to the operation.

City is in agreement with the findings and looks forward to the vast improvements that the new Revenue Control system will offer to the operation.

APPENDIX A: REVENUE REPORTING VARIANCES

During our review of revenue across four sampled operating days, we noted four instances of underreported revenue totaling \$33.10 and three instances of overreported revenue totaling \$29.00. See Finding No. 1 for further information.

| OPERATING DAY | LOCATION | AMOUNT REPORTED TO THE CITY | AMOUNT SUPPORTED/ DEPOSITED | VARIANCE | NOTED CAUSE |
|------------------------------------|--------------|-----------------------------|-----------------------------|------------------|----------------------|
| July 12, 2021 | F Lot | \$214.00 | \$219.00 | (\$5.00) | Cashier collection |
| December 2, 2021 | Coy Garage | \$1,245.00 | \$1,250.00 | (\$5.00) | Cashier collection |
| December 2, 2021 | F Lot | \$441.00 | \$446.00 | (\$5.00) | Cashier collection |
| April 30, 2022 | On Street | \$282.00 | \$300.10 | (\$18.10) | Coin collector error |
| Total Underreported Revenue | | \$2,182.00 | \$2,215.10 | (\$33.10) | |
| December 2, 2021 | Arena Garage | \$10,660.00 | \$10,650.00 | \$10.00 | Cashier collection |
| December 2, 2021 | EDD Lot | \$2,640.00 | \$2,624.00 | \$16.00 | Cashier collection |
| April 30, 2022 | Arena Garage | \$17,010.00 | \$17,007.00 | \$3.00 | Cashier collection |
| Total Overreported Revenue | | \$30,310.00 | \$30,281.00 | \$29.00 | |
| Total Revenue | | \$32,492.00 | \$32,496.10 | (\$4.10) | |

Total Sampled Daily Revenue Variance

| MONTH | TOTAL REVENUE SUBMITTED | TOTAL REVENUE SUPPORTED | VARIANCES | UNSUPPORTED REVENUE % |
|-----------------------|-------------------------|-------------------------|---------------|-----------------------|
| July 12, 2021 | \$2,037.09 | \$2,042.09 | \$5.00 | 0.25% |
| December 2, 2021 | \$25,493.31 | \$25,477.31 | -\$16.00 | -0.06% |
| April 29 and 30, 2022 | \$24,028.00 | \$24,043.10 | \$15.10 | 0.06% |
| May 10, 2022 | \$12,464.05 | \$12,464.05 | \$0.00 | 0.00% |
| Totals | \$64,022.45 | \$64,026.55 | \$4.10 | 0.01% |

APPENDIX B: UNSUPPORTED EXPENDITURE SUBMISSIONS

During our review of the expenditures for the four sampled months, LAZ submitted \$7,106.06 in expenses to the City for reimbursement without adequate supporting documentation to confirm compliance with the statement of work. See Finding No. 4 for additional information.

Unsupported Expenditures

| MONTH | CATEGORY | EXPENSE AMOUNT SUBMITTED TO THE CITY | EXPENSE AMOUNT SUPPORTED | UNSUPPORTED EXPENSES | UNSUPPORTED EXPENSES % ¹ |
|--|-------------|--------------------------------------|--------------------------|----------------------|-------------------------------------|
| July 2021 | Maintenance | \$13,246.46 | \$11,762.69 | \$1,483.77 | 11.2% |
| July 2021 Subtotal | | | | \$1,483.77 | |
| December 2021 | Maintenance | \$42,318.89 | \$40,724.29 | \$1,594.60 | 3.8% |
| December 2021 Subtotal | | | | \$1,594.60 | |
| April 2022 | Maintenance | \$47,375.35 | \$45,947.64 | \$1,427.71 | 3.0% |
| April 2022 Subtotal | | | | \$1,427.71 | |
| May 2022 | Maintenance | \$60,781.48 | \$58,181.50 | \$2,599.98 | 4.3% |
| May 2022 Subtotal | | | | \$2,599.98 | |
| Total of Unsupported Expenses Submitted to the City | | \$163,722.18 | \$156,616.12 | \$7,106.06 | 4.3% |

¹ – Based on our review LAZ had overbillings and underbillings, this variance only captures unsupported amounts.

APPENDIX C: INACCESSIBLE AND INCOMPLETE REVENUE RECORDS

During our review of the four sampled days, we identified \$1,490.00 in monthly parking revenue that did not have supporting transaction documentation readily available for review as required in LAZ's contract.

Incomplete Monthly Revenue Support

| DATE | LOT | REVENUE TYPE | TYPE | AMOUNT |
|------------------|-----------------|-----------------|----------------|-------------------|
| July 12, 2021 | Coy | Monthly (Paris) | Cash Check | \$75.00 |
| December 2, 2021 | Coy | Monthly (Paris) | Credit Card | \$75.00 |
| December 2, 2021 | Channel Garage | Monthly (Paris) | Credit Card | \$60.00 |
| December 2, 2021 | F Lot | Monthly (Paris) | Credit Card | \$55.00 |
| December 2, 2021 | Coy | Monthly (Paris) | Lock Box Check | \$225.00 |
| December 2, 2021 | Channel Garage | Monthly (Paris) | Lock Box Check | \$75.00 |
| December 2, 2021 | J Lot | Monthly (Paris) | Lock Box Check | \$330.00 |
| April 30, 2022 | Stewart Eberhar | Monthly (Paris) | Credit Card | \$75.00 |
| April 30, 2022 | F Lot | Monthly (Paris) | Credit Card | \$55.00 |
| April 30, 2022 | Coy Garage | Monthly (Paris) | Credit Card | \$105.00 |
| April 30, 2022 | Channel Garage | Monthly (Paris) | Credit Card | \$30.00 |
| May 10, 2022 | Coy | Monthly (Paris) | Credit Cards | \$300.00 |
| May 10, 2022 | L Lot | Monthly (Paris) | Lock Box Check | \$30.00 |
| Total | | | | \$1,490.00 |