

***CITY OF HUNTINGTON PARK
ANNUAL FINANCIAL REPORT OF THE
PROPOSITION A LOCAL RETURN FUND
PROPOSITION C LOCAL RETURN FUND
MEASURE R LOCAL RETURN FUND
TRANSPORTATION DEVELOPMENT ACT
ARTICLE 3 FUND
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014***



CITY OF HUNTINGTON PARK
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FINANCIAL SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Huntington Park, California and the
Los Angeles County Metropolitan Transportation Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), and Transportation Development Act Article 3 Fund (TDAA3F) of the City of Huntington Park, California (City) as of and for the years ended June 30, 2015 and 2014, and the related notes to the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 of 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 entity'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 entity'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 opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PALRF, PCLRF, MRLRF, and TDAA3F of the City of Huntington Park, California, as of June 30, 2015 and 2014, and the respective changes in their financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, and TDAA3F and do not purport to, and do not, present fairly the financial position of the City of Huntington Park, California, as of June 30, 2015 and 2014, and the changes in financial position thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Huntington Park, California's PALRF, PCLRF, MRLRF, and TDAA3F Fund financial statements as a whole. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 22, 2015, on our consideration of the City of Huntington Park'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, not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 22, 2015

CITY OF HUNTINGTON PARK

PROPOSITION A LOCAL RETURN FUND

BALANCE SHEETS

JUNE 30

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and investments	\$ 509,363	\$ 584,489
Metro Receivable	-	2,823
Interest receivable	285	-
	<u>509,648</u>	<u>-</u>
Total assets	<u>\$ 509,648</u>	<u>\$ 587,312</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 260,084	\$ 12,164
Accrued payroll	3,978	4,564
Other Performance Deposit	25,000	25,000
	<u>289,062</u>	<u>41,728</u>
Total liabilities	<u>289,062</u>	<u>41,728</u>
 Fund Balance		
Restricted	<u>220,586</u>	<u>545,584</u>
Total fund balance	<u>220,586</u>	<u>545,584</u>
	<u>509,648</u>	<u>587,312</u>
Total liabilities and fund balance	<u>\$ 509,648</u>	<u>\$ 587,312</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

PROPOSITION A LOCAL RETURN FUND

**STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2015</u>	<u>2014</u>
REVENUES		
Proposition A	\$ 1,036,783	\$ 994,954
Proposition A Discretionary Incentive Grants (Note 7)	95,922	90,573
Project generated revenue (Note 8)	129,815	155,745
Interest income	1,213	1,028
Miscellaneous Revenue (Note 12)	-	10,907
Total revenues	<u>1,263,733</u>	<u>1,253,207</u>
EXPENDITURES		
Various projects	<u>1,588,731</u>	<u>938,737</u>
Total expenditures	<u>1,588,731</u>	<u>938,737</u>
Excess (deficiency) of revenues over expenditures	(324,998)	314,470
Fund balance at beginning of year	<u>545,584</u>	<u>231,114</u>
Fund balance at end of year	<u>\$ 220,586</u>	<u>\$ 545,584</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

PROPOSITION A LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES

ACTUAL AND METRO APPROVED PROJECT BUDGET

For the Fiscal Year Ended June 30, 2015

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2014)

Project Code	Project Name	2015			2014 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-02	Fixed Route Public Transit Services	\$ 289,321	\$ 186,420	\$ 102,901	\$ -
120-01	General Public Paratransit Dial-A-Ride	780,000	862,677	(82,677)	542,695
130-01	Senior Transportation Escort Program	-	-	-	63,716
140-02	Special Event Transit	15,000	9,795	5,205	9,704
250-01	User Side Subsidy (Elderly/Handicapped)	70,584	70,584	-	49,293
480-03	Administration	215,471	363,333	(147,862)	182,756
		<u>1,370,376</u>	<u>1,492,809</u>	<u>(122,433)</u>	<u>848,164</u>
	National Transit Data Base	95,922	95,922	-	90,573
	Discretionary Pass Through	-	-	-	-
		<u>95,922</u>	<u>95,922</u>	<u>-</u>	<u>90,573</u>
	Total expenditures	<u>\$ 1,466,298</u>	<u>\$ 1,588,731</u>	<u>\$ (122,433)</u>	<u>\$ 938,737</u>

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK

PROPOSITION A LOCAL RETURN FUND

**SUPPLEMENTAL INFORMATION
SCHEDULE OF CAPITAL ASSETS**

June 30, 2015

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2015</u>
6/30/2000	Fargo Quatro I.D.	\$ 4,435	\$ -	\$ -	\$ 4,435
7/17/2003	2005 Chevrolet 15-Passenger Express Van	27,929	-	-	27,929
7/28/2003	Chevrolet Van Unit #195	645	-	-	645
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
7/30/2008	El Dorado Elite 270	101,752	-	-	101,752
6/14/2010	Ford E-450 Paratransit bus	53,131	-	-	53,131
6/15/2010	Ford E-450 Paratransit bus	60,578	-	-	60,578
6/16/2010	Ford E-450 Paratransit bus	60,578	-	-	60,578
6/17/2010	Ford E-450 Paratransit bus	60,578	-	-	60,578
	Total	\$ 878,386	\$ -	\$ -	\$ 878,386

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK

PROPOSITION C LOCAL RETURN FUND

BALANCE SHEETS

JUNE 30

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and investments	\$ 569,431	\$ 267,778
Interest receivable	320	-
Total assets	<u>\$ 569,751</u>	<u>\$ 267,778</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 17,329	\$ 35,857
Accrued Payroll	5,618	2,191
Total liabilities	<u>22,947</u>	<u>38,048</u>
Fund Balance		
Restricted	<u>546,804</u>	<u>229,730</u>
Total fund balance	<u>546,804</u>	<u>229,730</u>
Total liabilities and fund balance	<u>\$ 569,751</u>	<u>\$ 267,778</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

PROPOSITION C LOCAL RETURN FUND

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Fiscal Years Ended June 30

	<u>2015</u>	<u>2014</u>
REVENUES		
Proposition C	\$ 865,402	\$ 830,552
Interest income	<u>860</u>	<u>438</u>
Total revenues	<u>866,262</u>	<u>830,990</u>
EXPENDITURES		
Various projects	<u>549,188</u>	<u>817,107</u>
Total expenditures	<u>549,188</u>	<u>817,107</u>
Excess of revenues over expenditures	<u>317,074</u>	<u>13,883</u>
Fund balance (deficit) at beginning of year, as previously reported	229,730	(164,753)
Prior period adjustment (Note 11)	<u>-</u>	<u>380,600</u>
Fund balance at beginning of year, as restated	<u>229,730</u>	<u>215,847</u>
Fund balance at end of year	<u>\$ 546,804</u>	<u>\$ 229,730</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

PROPOSITION C LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES

ACTUAL AND METRO APPROVED PROJECT BUDGET

For the Fiscal Year Ended June 30, 2015

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2014)

Project Code	Project Name	2015			2014 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-02	Fixed Route Public Transit Services	\$ 165,679	\$ 187,636	\$ (21,957)	\$ 405,320
170-01	Bus Shelter Maintenance Program	104,605	104,605	-	305,914
180-09	Repair and Maintenance of Vehicles	11,755	-	11,755	-
270-02	Gateway Cities Council of Government I-710 Major Corridor Study	25,000	25,000	-	34,869
440-02	Street Operation Program for Bus Route	39,258	19,858	19,400	28,000
480-03	Administration	182,250	212,089	(29,839)	43,004
	Total expenditures	<u>\$ 528,547</u>	<u>\$ 549,188</u>	<u>\$ (20,641)</u>	<u>\$ 817,107</u>

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK

PROPOSITION C LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION
SCHEDULE OF CAPITAL ASSETS

June 30, 2015

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2015</u>
1/1/2002	Bus Shelter Improvements	\$ 127,166	\$ -	\$ -	\$ 127,166
8/31/2005	Santa Fe Resurfacing	29,907	-	-	29,907
	Total	\$ 157,073	\$ -	\$ -	\$ 157,073

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK
MEASURE R LOCAL RETURN FUND
BALANCE SHEETS
JUNE 30

	2015	2014
ASSETS		
Cash and investments	\$ 1,335,798	\$ 1,324,197
Metro Receivable	-	55,288
Due from General Fund	63,034	-
Interest receivable	684	-
Prepaid Expense	-	8,282
Total assets	\$ 1,399,516	\$ 1,387,767
 LIABILITIES AND FUND BALANCE		
Liabilities		
Account payable	\$ 93,530	\$ 131,545
Accrued payroll	990	54
Total liabilities	94,520	131,599
 Fund Balance		
Restricted	1,304,996	1,256,168
Total fund balance	1,304,996	1,256,168
Total liabilities and fund balance	\$ 1,399,516	\$ 1,387,767

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

MEASURE R LOCAL RETURN FUND

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Fiscal Years Ended June 30

	<u>2015</u>	<u>2014</u>
REVENUES		
Measure R	\$ 645,132	\$ 615,907
Interest income	<u>2,893</u>	<u>2,834</u>
Total revenues	<u>648,025</u>	<u>618,741</u>
EXPENDITURES		
Various projects	<u>599,197</u>	<u>491,909</u>
Total expenditures	<u>599,197</u>	<u>491,909</u>
Excess (deficiency) of revenues over expenditures	<u>48,828</u>	<u>126,832</u>
Fund balance at beginning of year, as previously reported	1,256,168	1,529,336
Prior period adjustment (Note 11)	<u>-</u>	<u>(400,000)</u>
Fund balance at beginning of year, as restated	<u>1,256,168</u>	<u>1,129,336</u>
Fund balance at end of year	<u>\$ 1,304,996</u>	<u>\$ 1,256,168</u>

The accompanying notes are an integral part of the financial statements

CITY OF HUNTINGTON PARK

MEASURE R LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES

ACTUAL AND METRO APPROVED PROJECT BUDGET

For the Fiscal Year Ended June 30, 2015

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2014)

Project Code	Project Name	2015			2014 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
3.05	Parklette Construction	\$ 30,000	\$ 101,340	\$ (71,340)	\$ 36,691
3.10	MultiModel Way Findings Signs	60,000	11,270	48,730	-
4.10	Local Fixed Route Service	-	-	-	138,206
5.20	Park and Ride Lot Lighting and Security Improvement	250,000	46,718	203,282	-
6.40	Kiosks and Traffic Control Equipment for Bike Events	30,000	65,387	(35,387)	-
7.10	Orange County Line Assessment - Annual Membership	-	-	-	8,282
7.10	Eco Rapid Transit JPA Membership Dues	8,500	5,962	2,538	-
7.90	Pacific Blvd Revitalization - Ped Improvements	200,000	248,724	(48,724)	308,730
8.10	Salary & Benefits for Program Admin*	50,000	119,796	(69,796)	-
	Total expenditures	<u>\$ 628,500</u>	<u>\$ 599,197</u>	<u>\$ (71,340)</u>	<u>\$ 491,909</u>

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK
MEASURE R LOCAL RETURN FUND
SUPPLEMENTAL INFORMATION
SCHEDULE OF CAPITAL ASSETS

June 30, 2015

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2015</u>
10/9/2014	Samsung LED Sign	\$ -	\$ 6,450	\$ -	\$ 6,450
	Total	<u>\$ -</u>	<u>\$ 6,450</u>	<u>\$ -</u>	<u>\$ 6,450</u>

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK

TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)

BALANCE SHEETS
JUNE 30

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash	\$ -	\$ 1,703
Metro Receivable	<u>64,679</u>	<u>27,924</u>
Total assets	<u>\$ 64,679</u>	<u>\$ 29,627</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to Other Fund	\$ <u>16,535</u>	\$ <u>-</u>
Total liabilities	<u>16,535</u>	<u>-</u>
 Fund Balance		
Reserved	<u>48,144</u>	<u>29,627</u>
Total fund balance	<u>48,144</u>	<u>29,627</u>
 Total liabilities and fund balance	 <u>\$ 64,679</u>	 <u>\$ 29,627</u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND

STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE

For the Fiscal Years Ended June 30

	<u>2015</u>	<u>2014</u>
REVENUES		
Payment from prior year reserve	\$ 64,679	\$ 27,924
Interest Income	<u>15</u>	<u>17</u>
Total revenues	<u>64,694</u>	<u>27,941</u>
EXPENDITURES		
Various projects	<u>46,177</u>	<u>30,592</u>
Total expenditures	<u>46,177</u>	<u>30,592</u>
Excess (deficiency) of revenues over expenditures	18,517	(2,651)
Fund balance at beginning of year	<u>29,627</u>	<u>32,278</u>
Fund balance at end of year	\$ <u><u>48,144</u></u>	\$ <u><u>29,627</u></u>

The accompanying notes are an integral part of the financial statements.

CITY OF HUNTINGTON PARK

TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SUPPLEMENTAL INFORMATION

SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
ALLOCATION FOR SPECIFIC PROJECTS

For the Fiscal Year Ended June 30, 2015

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local allocations					
City-wide Pedestian Signal	2015	\$ 50,000	\$ 19,950	\$ 30,050	Complete
City-wide Sidewalk Repairs	2015	<u>14,679</u>	<u>26,226</u>	<u>(11,547)</u>	Complete
Total		<u>\$ 64,679</u>	<u>\$ 46,177</u>	18,502	
Unexpended interest accumulated to date				15	
Fund balance at beginning of year				<u>29,627</u>	
Fund balance at end of year				<u>\$ 48,144</u>	

See accompanying independent auditor's report.

CITY OF HUNTINGTON PARK

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The operations of the Proposition A Local Return Fund (PALRF) and Proposition C Local Return Funds (PCLRF), Measure R Local Return Fund (MRLRF), and Transportation Development Act Article 3 Fund (TDAA3F) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues, and expenditures.

PALRF and PCLRF represent 25% and 20% respectively, of the ½ cent Proposition A and ½ cent Proposition C sales taxes which are distributed to the jurisdictions within Los Angeles County based on population and must be used exclusively for transportation related programs and projects.

MRLRF represents 15% of the ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

Transportation Development Act Article 3 Fund (TDAA3F) is a Special Revenue Fund that accounts for the City's share of the Transportation Development Act Article 3 allocations which are legally restricted for specific purposes.

Basis of Accounting

PALRF, PCLRF, MRLRF, and TDAA3F are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

Unrealized Gain (Loss)

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, local governments are required to use fair value (instead of amortized costs) for financial reporting purposes. As a result of such implementation, the City recognizes the unrealized gain (loss).

CITY OF HUNTINGTON PARK

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2015 and 2014
(Continued)

NOTE 2 – ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, and TDAA3F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

NOTE 3 – PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

In accordance with Proposition A and Proposition C Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Proposition A and Proposition C Local Return approved programs.

NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

In accordance with Measure R Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure R Local Return approved programs.

NOTE 5 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

In accordance with Public Utilities Code Section 99234, funds received pursuant to this Code's section may only be used for activities relating to pedestrians and bicycle facilities.

NOTE 6 – CASH AND INVESTMENTS

The PALRF, PCLRF, MRLRF, and TDAA3F cash balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average quarterly balances to the total of the pooled cash and investments.

CITY OF HUNTINGTON PARK

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2015 and 2014
(Continued)

NOTE 7 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT

Proposition A Discretionary Incentive Grants for the years ended June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Voluntary NTD reporting	\$ 95,922	\$ 90,573
Total	<u>\$ 95,922</u>	<u>\$ 90,573</u>

Proposition A Discretionary Incentive Grant amounting to \$95,922 and \$90,573 for the years ended June 30, 2015 and 2014, respectively, represent additional funds received from Metro for participating in the National Transit Database Reporting Program. All the funds received were deposited and recorded in the City's Proposition A Local Return Funds account.

NOTE 8 – PROJECT GENERATED REVENUE - PALRF

Project generated revenue for the years ended June 30, 2015 and June 30, 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
MTA Bus Passes	\$ 32,588	\$ 26,838
Dial - A - Ride Services	27,756	9,067
Fixed Route Fares	69,297	101,691
MTA Mini Call Vehicle Replacement	-	18,150
Miscellaneous Income	175	-
	<u>\$ 129,816</u>	<u>\$ 155,746</u>

NOTE 9 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the years ended June 30, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
FY 2009-10 reserve	\$ -	\$ 27,924
FY 2010-11 reserve	28,985	-
FY 2011-12 reserve	30,944	-
FY 2010-13 reserve	7,750	-
Allocation received	<u>\$ 67,679</u>	<u>\$ 27,924</u>

CITY OF HUNTINGTON PARK

NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2015 and 2014
(Continued)

NOTE 10 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED

In accordance with TDA Article 3 (SB821) Guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2015 and 2014, the City has funds on reserve as follows:

	<u>2015</u>	<u>2014</u>
FY 2010/11 allocation	\$ -	\$ 25,985
FY 2011/12 allocation	-	30,944
FY 2012/13 allocation	37,950	45,700
FY 2013/14 allocation	47,509	47,509
FY 2014/15 allocation	38,694	-
Available reserve balance	\$ <u>124,153</u>	\$ <u>150,138</u>

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

The City booked a prior period adjustment to correct expenditures charged to Proposition C when it should have been Measure R expenditures. Also, the City booked additional expenditures to Proposition C that were not accrued for. The following amounts were adjusted:

PCLRF - \$19,400 of additional expenditures were booked for fiscal year 2012-13 to Prop C. Also, \$400,000 of the Fixed Route Transit project expenditures were transferred from Prop C to Measure R Street Improvements project for fiscal year 2012-13.

MRLRF - \$400,000 of additional expenditures were booked for fiscal year 2012-13 due to the transfer of the Fixed Route Transit project expenditures incurred in Prop C to the Measure R Street Improvements project (01-005).

NOTE 12 – MISCELLANEOUS REVENUE

PALRF miscellaneous revenue amounting to \$10,907 for the year ended June 30, 2014 consisted of reimbursements received for the fee transfers for their Access program. Access provides reimbursements to the City of Huntington Park every time a rider provides an Access ID card/or pass. This was recorded under Proposition A Local Return fund.

NOTE 13 – SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2015 through December 22, 2015, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

**Independent Auditor's 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 Members of the City Council of the
City of Huntington Park, California and the
Los Angeles County Metropolitan Transit Authority

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 Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), and Transportation Development Act Article 3 (TDAA3F) Fund of the City of Huntington Park, California (City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Recommendation, we identified a deficiency in internal control that we consider to be material weakness.

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 City's local return funds and TDAA3F financial statements will not be prevented, or detected and corrected on a timely basis. We considered one deficiency described in the accompanying Schedule of Findings and Recommendations as item F-15-05 to be material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Recommendations as item F-15-05.

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 22, 2015

COMPLIANCE SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report On Compliance

To the Honorable Members of the City Council of the
City of Huntington Park, California and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

We have audited the compliance of the City of Huntington Park, California (City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (Guidelines) for the year ended June 30, 2015.

Management's Responsibility

Management is responsible for the City's compliance with those guidelines.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. 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 the Guidelines referred to in the preceding paragraph. Those standards and the Guidelines 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 local return program occurred. An audit includes examining, on a test basis, evidence about City'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. Our audit does not provide a legal determination of City's compliance with those requirements.

Opinion on Each Local Return Program and Transportation Development Act Article 3

In our opinion, the City of Huntington Park complied, in all material respects, with the compliance requirements referred to above that apply to Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, and Transportation Development Act Article 3 (TDAA3F) Fund for the year ended June 30, 2015.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and which are described in the accompanying Schedule of Findings and Recommendations as items F-15-01 – F-15-07. Our opinion on each local return program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Huntington Park, California (City) is responsible for establishing and maintaining effective internal control over compliance with the Requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the Requirements that could have a direct and material effect on the Local Return programs and the TDAA3F to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Requirements, 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 City's internal control over compliance.

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 we consider to be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 under the Requirements 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 under the Requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Recommendations as items F-15-03, F-15-05, and F-15-06 to be material weaknesses.



The City's response to the internal control over compliance findings over compliance identified in our audit are described in the Schedule of Findings and Recommendations. The City's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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

A handwritten signature in black ink that reads "Simpson & Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California
December 22, 2015

CITY OF HUNTINGTON PARK
COMPLIANCE MATRIX
Year Ended June 30, 2015

Compliance Requirement	In Compliance		Questioned Costs	If no, provide details and management response.	
	Yes	No			
A. Proposition A and Proposition C Local Return Funds					
1.	Timely use of funds.	X		None	
2.	Expenditures were approved before being incurred.	X		None	
3.	Funds were used on approved projects only and expenditures were supported and allowable per Guidelines.		X	None	See Schedule of Findings and Recommendations, F-15-01. PCLRF - \$ 124,463.
4.	Expenditures did not exceed 25% of Metro's approved budget.		X	None	See Schedule of Findings and Recommendations, F-15-02. PALRF - \$ 1,834
5.	Administrative expenses were within the 20% cap.		X	\$ 332,743	See Schedule of Findings and Recommendations, F-15-03. PALRF - \$ 204,905 PCLRF - \$127,838
6.	All on-going and carryover projects were reported in Form B.	X		None	
7.	Annual Project Summary Report (Form B) was submitted on time.		X	None	See Schedule of Findings and Recommendations, F-15-04.
8.	Annual Expenditure Report (Form C) and recreational transit was submitted on time.		X	None	See Schedule of Findings and Recommendations, F-15-04.
9.	Cash or cash equivalents were maintained.	X		None	
10.	Accounting procedures, record keeping and documentation were adequate.		X	None	See Schedule of Findings and Recommendations, F-15-05. PALRF - \$ 212,265 PCLRF - \$19,400

CITY OF HUNTINGTON PARK
COMPLIANCE MATRIX
Year Ended June 30, 2015
(Continued)

Compliance Requirement		In Compliance		Questioned Costs	If no, provide details and management response.
		Yes	No		
11.	Revenues received including allocations, project generated revenues, and interest income were properly credited to the PALRF and PCLRF accounts.	X		None	
B. Measure R Local Return Fund					
1.	Timely use of funds.	X		None	
2.	Expenditures were approved before being incurred.	X		None	
3.	Funds were used on approved projects only and expenditures were supported and allowable per Guidelines.	X		None	
4.	Fund were not substituted for property tax.	X		None	
5.	Administrative expenses were within the 20% cap.		X	None	See Schedule of Findings and Recommendations, F-15-06.
6.	Expenditure Plan (Form One) was submitted on time.	X		None	
7.	Expenditure Report (Form Two) was submitted on time.	X		None	
8.	Cash or cash equivalents were maintained.	X		None	
9.	Accounting procedures, record keeping and documentation were adequate.		X	None	See Schedule of Findings and Recommendations, F-15-05.

CITY OF HUNTINGTON PARK
COMPLIANCE MATRIX
Year Ended June 30, 2015
(Continued)

Compliance Requirement		In Compliance		Questioned Costs	If no, provide details and management response.
		Yes	No		
10.	Revenues received including allocations, project generated revenues, and interest income were properly credited to the Measure R account.	X		None	
11.	Funds were not used to supplant existing local revenues being used for transportation purpose.	X		None	
C. Transportation Development Act Article 3 Fund					
1.	Timely use of funds.		X	\$ 48,144	See Schedule of Findings and Recommendations, F-15-07
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X		None	

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

Finding No. F-15-01 – Fund: PCLRF

Criteria:

According to Proposition A and C Local Return Guidelines, Section V (A. Financial and Compliance Provisions), “The Proposition A and Proposition C Local Return Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:

“Verification that funds were expended with Metro’s approval.”

Condition:

The project expenditures for the Bus Shelter Maintenance Program and Street Operation Program for Bus Route funded by PCLRF in the amount of \$104,605 and \$19,858, respectively, were incurred without an approval from LACMTA. However, the projects were subsequently approved by LACMTA.

Cause:

The condition was due to oversight of the City’s personnel.

Effect:

Incurred expenditures prior to LACMTA’s approval could result in questioned costs. Lack of prior approval results in non-compliance which could impact future funding.

Questioned Costs:

None

Recommendation:

In accordance with the Guidelines, we recommend that the City reimburse its Proposition C Local Return account \$124,463. In addition, we recommend that the City establish procedures and controls to ensure that the Form A (Project Description Form) is properly prepared and submitted before the due date of August 1st so that the City’s expenditures of Proposition C Local Return Funds will be in accordance with LACMTA’s approval and the Guidelines.

Management’s Response:

The City received subsequent approval from Metro, so no reimbursement is required. City staff will request Metro’s approval for expenditures prior to expenditures being incurred

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-02 – Fund: PALRF

Criteria:

According to Proposition A and C Local Return Guidelines, “projects with greater than 25% change from the approved budget has been amended by submitting amended Project Description Form (Form A).”

Condition:

Expenditures for Project Codes 250-01, User Side Subsidy Programs funded by PALRF, exceeded 25% of MTA’s approved budget by \$1,834. However, the projects were subsequently approved by LACMTA.

Cause:

The condition was due to an oversight of the City’s personnel.

Effect:

The City spent more than 25 percent of MTA’s approved budget for the User Side Subsidy Program and was not in compliance with the Guidelines.

This is a repeat finding noted in our audit of 2013-14.

Questioned Costs:

None

Recommendation:

We recommend the City establish procedures and controls to ensure that the City stays within the approved budget for the project expenditures and ensure that a Form A is submitted for approval.

Management’s Response:

The City received subsequent approval from Metro, so no reimbursement is required. City staff will work more diligently to adhere to the Metro approved budget and if necessary obtain an approval for any necessary increase in expenditures.

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-03 – Fund: PALRF AND PCLRF

Criteria:

According to Proposition A and C Local Return Guidelines, Section II.A.15, Direct Administration Project Condition: “The administrative expenditure for any year shall not exceed 20 percent of the total LR annual expenditures, based on year-end expenditures, and will be subject to an audit finding if the figure exceeds 20 percent.”

Condition:

The City’s administrative expenditures exceeded more than twenty percent of its total PALRF and PCLRF’s expenditures in the amount of \$204,905 and \$127,838 respectively.

Cause:

There appears a lack of interim review of the administrative expenditures incurred during the year.

Effect:

Administrative expenses exceeding 20 percent of the annual funds is not in compliance with the guidelines and may be disallowed.

Questioned Costs:

Total Questioned Cost is \$332,743. The following is the breakdown by the local return funds:

PALRF: \$204,905

PCLFR: \$127,838

Recommendation:

The City should reimburse the questioned costs of \$204,905 and \$127,838 to the PALRF and PCLRF, respectively. In addition, the City should establish procedures and controls to ensure that administrative expenditures claimed for each fund be limited to 20 percent of the fund’s total annual expenditures.

Management’s Response:

City staff will work more diligently to adhere to the Metro approved budget which includes but not limited to tracking expenditures and monitoring compliance to City Budget as well.

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-04 – Fund: PALRF

Criteria:

According to Proposition A and C Local Return Guidelines, Section I. C, “Jurisdictions shall submit on or before August 1st of each fiscal year and Annual project Update (Form B) to provide current information on all approved on-going and carry over Local Return projects.”

According to Proposition A & C Guidelines, Section II, A, 1.3, Recreational Transit Service: “Jurisdiction shall submit a listing of Recreational Transit Services no later than October 15th after the fiscal year”

Condition:

The City did not submit the Annual Project Update (Form B) to LACMTA that was due by August 1, 2014. Subsequently on August 21, 2014, the City submitted the Annual Project Update (Form B) to LACMTA.

In addition, the City did not submit the listing of Recreational Transit Services (Listing) by October 15, 2014 deadline. However, the City submitted the Listing on October 16, 2014.

Cause:

The condition was due to oversight of the City’s management.

Effect:

The City is not in compliance with the Guidelines.

Questioned Costs:

None

Recommendation:

The City should establish procedures and controls to ensure that the Form B and the Listing of Recreational Transit Services are submitted timely.

Management’s Response:

The City staff will work more diligently to submit all required reports by Metro’s required due dates.

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-05 – Fund: PALRF, PCLRF AND MRLRF

Criteria:

According to Proposition A and C Local Return Guidelines and Measure R Local Return Guidelines, “It is the Jurisdictions’ responsibility to maintain proper accounting records and documentation.”

Condition:

During our audit of the local funds, we noted that the City did not reverse the prior year’s accounts payable for PALRF, PCLRF and MRLRF in the fiscal year 2014-15. As such, the current year’s expenditures were overstated by \$212,265, \$19,400, and \$8,282 respectively, for PALRF, PCLRF and MRLRF. Subsequent to our inquiries, the City prepared a journal entry to correct the expenditures and the accounts payable balances for the 3 funds under audit.

Cause:

There appears to be a lack of adequate controls over financial reporting and the accounts payable reconciliation.

Effect:

Accounts payable that was not reversed in the subsequent year leads to over-reporting the program expenditures in the following fiscal year.

Questioned Costs:

None

Recommendation:

The City should update its internal accounting controls to ensure that appropriate procedures are in place to reconcile year-end accounts payable of all LRF balances in a timely manner. The City should also revise and resubmit the Form C and Form II to reflect the adjustments made for the project costs.

Management’s Response:

The City Staff will work more diligently to make sure Account Payable is correctly balanced, thus insuring proper reporting.

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-06 – Fund: MRLRF

Criteria:

According to Measure R Local Return Guidelines, Section A.II. 8, “The administrative expenditures for any year shall not exceed twenty percent (20%) of the total local return annual expenditures.”

Condition:

The City’s administrative expenditures exceeded more than twenty percent of its total Measure R local return annual expenditures in the amount of \$63,034. Subsequently, the City transferred \$63,034 to its Measure R Local Return account on December 23, 2015.

Cause:

The condition was due to oversight of the City’s management.

Effect:

The City’s MRLRF administrative expenditures exceeded 20 percent of its local return annual expenditures and the City did not comply with the Guidelines. Amount exceeded 20 percent cap resulted in questioned costs of \$63,034.

Questioned Costs:

None

Recommendation:

We recommend that the City establish procedures and controls to ensure that administrative expenditures are within the 20% cap of the MRLRF’s total annual expenditures.

Management’s Response:

City staff will work more diligently to adhere to the Metro approved budget which includes but not limited to tracking expenditures and monitoring compliance to City Budget as well.

CITY OF HUNTINGTON PARK

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

June 30, 2015

(Continued)

Finding No. F-15-07 – Fund: TDA3

Criteria:

According to LACMTA’s Funding and Allocation Guidelines for the TDA Article 3 Bicycle and Pedestrian Funds, “TDA Article 3 local funds may be placed on reserve for up to three years (i.e. no longer than the fourth June 30 after they were available by Metro Board action). Agencies may accumulate three years’ worth of reserved TDA Article 3 local funds before being required to obligate them or return them to the TDA Article 3 fund. Any funds left on reserve by the local agency longer than three years are subject to lapse and future reallocation” and “Agencies may only draw down funds if they will be fully spent or encumbered before the end of the fiscal year (June 30) in which they are allocated. Agencies are not allowed to have a fun balance at the end of the fiscal year. Any funds drawn down and that remain unspent after the end of the fiscal year must be returned to Metro to be placed on reserve for the city under the fiscal year in which they were originally allocated.”

Condition:

At June 30, 2015, the City had a total unspent TDA3 fund allocation of \$48,144.

Cause:

There appears to be a lack of timely review of the available funding to be spent and/or returned for TDA3 Fund.

Effect:

Untimely review of the funding status from the prior year allocation could result in losing the funding.

Questioned Costs:

\$48,144

Recommendation:

In accordance with the Guidelines, we recommend that the City return the unspent funds of \$48,144 to LACMTA to be placed on reserve for the City under the fiscal year in which they were originally allocated. We also recommend that the City establish controls to ensure that it only draw down funds that will be spent or encumbered on eligible projects before the end of the fiscal year and returns any unspent funds to Metro to be placed on reserve for the City as required by the Guidelines.

Management’s Response:

The City will provide appropriate documentation to Metro demonstrating \$48,144 were spent on pedestrian related expenditures during FY 14-15 as per TDA 3 guidelines.

EXIT CONFERENCE

CITY OF HUNTINGTON PARK

PROPOSITION A, PROPOSITION C, MEASURE R LOCAL RETURN FUNDS, AND
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
EXIT CONFERENCE

June 30, 2015

An exit conference was held on December 22, 2015 with the City of Huntington Park. Those in attendance were:

Simpson & Simpson Representative:

Channing Wong, Auditor

City's Representative:

Annie Ruiz, Accounting Manager

Matters Discussed:

Results of the audit disclosed one significant financial and six compliance issues.

A copy of this report was forwarded to the following City representative for their comments prior to the issuance of the final report:

Annie Ruiz, Accounting Manager

Simpson & Simpson, LLP
633 West 5th Street, Suite 3320
Los Angeles, CA 90071

RE: CITY OF HUNTINGTON PARK ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, and Transportation Development Act Article 3 Fund for the years ended June 30, 2015 and 2014 for the City of Huntington Park and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date