



**Metro**<sup>™</sup>

**City of Bell  
Annual Financial Report of its**

**Proposition A Local Return Fund  
Proposition C Local Return Fund  
Measure R Local Return Fund  
Measure M Local Return Fund  
Transportation Development Act Article 3 Fund**

**As of and for the Years Ended June 30, 2019 and 2018  
with Report of Independent Auditors**

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**FINANCIAL SECTION**

## Report of Independent Auditors

**To the Honorable Members of the City Council of the  
City of Bell, 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, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Bell, California (the City) which comprise the Funds' balance sheets as of June 30, 2019 and 2018, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements.

### ***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.

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

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the Fund's 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 City'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 Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Bell, California, as of June 30, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

As discussed in Note 10, the fiscal year 2018 financial statements of Transportation Development Act Article 3 Fund has been restated to remove certain project expenditures that were reimbursed by other grants. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements present only the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Bell, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on each of the Funds' financial statements as a whole. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 on our consideration of the City's internal control over the Funds' 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 solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

A handwritten signature in black ink that reads "Vaguez &amp; Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California  
November 27, 2019**

City of Bell  
 Proposition A Local Return Fund  
 Balance Sheets

		June 30	
		2019	2018
<b>ASSETS</b>			
Cash and investments	\$	599,912	\$ 456,799
Accounts receivable		1,267	1,290
Interest receivable		2,916	701
Due from general fund		21,341	-
<b>Total assets</b>	<b>\$</b>	<b>625,436</b>	<b>\$ 458,790</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	102,061	\$ 89,430
Accrued payroll and employee benefits		2,090	1,167
<b>Total liabilities</b>		<b>104,151</b>	<b>90,597</b>
<b>Fund balance</b>			
Restricted		521,285	368,193
<b>Total fund balance</b>		<b>521,285</b>	<b>368,193</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>625,436</b>	<b>\$ 458,790</b>

*See notes to Funds financial statements.*



**City of Bell**  
**Proposition A Local Return Fund**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	<b>Years ended June 30</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues</b>		
Proposition A	\$ 730,931	\$ 684,873
Interest income	19,241	1,364
Bus pass sales	27,105	29,337
Proposition A Discretionary Incentive Program Grant	20,590	-
Other	2,680	-
<b>Total revenues</b>	<b>800,547</b>	<b>715,574</b>
 <b>Expenditures</b>		
Various projects	<b>647,455</b>	543,728
<b>Total expenditures</b>	<b>647,455</b>	543,728
 Excess of revenues over expenditures	<b>153,092</b>	171,846
 Fund balance at beginning of year	<b>368,193</b>	196,347
 Fund balance at end of year	<b>\$ 521,285</b>	\$ 368,193

*See notes to Funds financial statements.*

City of Bell  
 Proposition A Local Return Fund  
 Supplementary Information  
 Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
 Year ended June 30, 2019  
 (With Comparative Actuals for 2018)

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Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
120-01	Dial-A-Ride	\$ 440,000	\$ 322,562	\$ 117,438	\$ 284,281
140-04	Recreational Transit	19,000	17,829	1,171	14,947
170-02	Bus Shelter Maintenance	90,000	90,647	(647)	94,695
250-03	Bus Pass Subsidy Program	110,000	86,926	23,074	65,720
480-03	Administration	131,800	129,491	2,309	84,085
<b>Total expenditures</b>		<b>\$ 790,800</b>	<b>\$ 647,455</b>	<b>\$ 143,345</b>	<b>\$ 543,728</b>

*See report of independent auditors.*

**City of Bell**  
**Proposition A Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2019**

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<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
3/31/2004	Imaginistics Copier	\$ 10,534	\$ -	\$ -	\$ 10,534
6/29/2010	1 2010 Braun Entervan Bus	30,000	-	-	30,000
6/29/2010	2 2010 Goshen Buses	60,000	-	-	60,000
12/01/2014	Class E-27 Ford-550 El Dorado	87,103	-	-	87,103
12/01/2014	Decals for Ford-550 El Dorado	8,041	-	-	8,041
<b>Total</b>		<b>\$ 195,678</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 195,678</b>

*See report of independent auditors.*

**City of Bell  
Proposition C Local Return Fund  
Balance Sheets**

		June 30	
		2019	2018
<b>ASSETS</b>			
Cash and investments	\$	2,395,963	\$ 2,238,956
Interest receivable		11,733	3,620
<b>Total assets</b>	<b>\$</b>	<b>2,407,696</b>	<b>\$ 2,242,576</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	144,966	\$ 101,201
Retention payable		1,075	7,223
Accrued payroll and employee benefits		355	218
Due to other funds		-	616
<b>Total liabilities</b>		<b>146,396</b>	<b>109,258</b>
<b>Fund balance</b>			
Restricted - Capital Reserve Project Code 380-03		415,196	401,143
Restricted - Capital Reserve Project Code 380-04		103,513	-
Restricted - Capital Reserve Project Code 380-05		132,497	-
Restricted - Other		1,610,094	1,732,175
<b>Total fund balance</b>		<b>2,261,300</b>	<b>2,133,318</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>2,407,696</b>	<b>\$ 2,242,576</b>

*See notes to Funds financial statements.*

City of Bell  
**Proposition C Local Return Fund**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2019	2018
<b>Revenues</b>		
Proposition C	\$ 606,286	\$ 565,342
Interest income	83,714	7,506
Other Income	-	61
<b>Total revenues</b>	<b>690,000</b>	<b>572,909</b>
 <b>Expenditures</b>		
Various projects	<b>562,018</b>	309,512
<b>Total expenditures</b>	<b>562,018</b>	<b>309,512</b>
 Excess of revenues over expenditures	<b>127,982</b>	263,397
 Fund balance at beginning of year	<b>2,133,318</b>	1,869,921
 Fund balance at end of year	<b>\$ 2,261,300</b>	<b>\$ 2,133,318</b>

*See notes to Funds financial statements.*

City of Bell  
**Proposition C Local Return Fund**  
**Supplementary Information**  
**Schedule of Expenditures – Actual and LACMTA Approved Project Budget**  
**Year ended June 30, 2019**  
**(With Comparative Actuals for 2018)**

Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
270-01	Atlantic Ave Corridor Study	\$ 33,500	\$ -	\$ 33,500	\$ -
270-05	Gage Design Study	-	-	-	4,592
380-03	Street Intersection, Striping and Landscaped Median Improvements along Atlantic Ave	400,000	-	400,000	-
400-01	Traffic Signal Improvements at Wilcox/Florence, Vinevale/Florence and Atlantic/Gage	1	-	1	-
430-01	Florence Ave Pedestrian Project	219,600	140,696	78,904	-
430-02	Sidewalk Repairs	21,500	22,434	(934)	-
440-08	Eastern Ave Improvement	350,625	10,625	340,000	2,272
440-09	Walker and Florence Intersection	1	-	1	617
440-10	Atlantic Ave Street Improvements	303,000	219,641	83,359	172,040
440-11	Pavement Rehabilitation Project	-	-	-	106,196
440-12	Florence Ave and Slauson Ave Bridge Maintenance	1	-	1	-
440-13	Street Pavement Stencils	1	-	1	-
440-14	Gage Ave Bridge Replacement	50,000	48,220	1,780	-
460-01	Traffic Signal Equipment Upgrades	137,000	71,317	65,683	-
470-01	Pavement Management System Update	11,600	6,520	5,080	11,715
480-03	Administration	17,376	18,361	(985)	12,080
480-04	Maintenance and Operations	53,000	16,512	36,488	-
500-09	Administrations - Traffic Control and Street Closure for Event	20,000	7,692	12,308	-
<b>Total expenditures</b>		<b>\$ 1,617,205</b>	<b>\$ 562,018</b>	<b>\$ 1,055,187</b>	<b>\$ 309,512</b>

*See report of independent auditors.*

**City of Bell  
Proposition C Local Return Fund  
Supplementary Information  
Schedule of Capital Assets  
Year ended June 30, 2019**

<b>Date Acquired</b>	<b>Description</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
6/30/2002	Eastern Avenue Overlay	\$ 229,629	\$ -	\$ -	\$ 229,629
6/30/2002	Florence/Otis	37,022	-	-	37,022
6/30/2002	Eastern/ Bandini Cabinet	50,442	-	-	50,442
6/30/2002	Florence/Otis Signal	17,805	-	-	17,805
6/30/2002	Florence/Walker Signal	36,057	-	-	36,057
6/30/2002	Gage/Orchard Signal	17,550	-	-	17,550
6/30/2002	LED Signal - Citywide	93,198	-	-	93,198
6/30/2003	Florence Atlantic AC Overlay	225,222	-	-	225,222
6/30/2003	Atlantic/Bell/Brompton Signals	52,280	-	-	52,280
6/30/2004	Atlantic at Gage Signal Bus Shelter	81,748	-	-	81,748
6/30/2004	Bus Shelter - Installation and Rehabilitation	47,444	-	-	47,444
6/30/2004	Florence/Walker Signal	173,532	-	-	173,532
6/30/2005	Flora at Florence Signal	23,339	-	-	23,339
6/30/2005	Gage at Orchard Signal	20,205	-	-	20,205
6/30/2006	Florence at Vinevale Signal	91,558	-	-	91,558
6/30/2006	Florence at Wilcox Signal	153,687	-	-	153,687
6/30/2008	Atlantic Avenue at Bell Brompton Signal	23,134	-	-	23,134
6/30/2008	Atlantic Avenue at Bell Plaza Signal	38,238	-	-	38,238
6/30/2008	Atlantic Avenue at Shopping Center Signal	50,720	-	-	50,720
6/30/2008	Wilcox at Acacia Signal	135,771	-	-	135,771
6/30/2009	Slauson at 710 Freeway	20,934	-	-	20,934
6/30/2009	Florence at Otis Traffic Signal	98,205	-	-	98,205
6/30/2014	Florence Avenue-Atlantic-Wilcox	369,787	-	-	369,787
5/21/2015	Pavement Rehabilitation Project (2014/15)	405,176	-	-	405,176
6/17/2016	Florence Ave Overlay West of Atlantic	111,552	-	-	111,552
6/30/2016	Florence Ave Overlay West of Atlantic	488	-	-	488
6/30/2016	Florence Ave Overlay West of Atlantic	3,018	-	-	3,018
11/03/2015	Gage/Walker-Concrete Pavement	1,050	-	-	1,050
12/02/2015	Gage/Walker-Concrete Pavement	459	-	-	459
12/10/2015	Gage/Walker-Concrete Pavement	3,530	-	-	3,530
1/07/2016	Gage/Walker-Concrete Pavement	7,040	-	-	7,040
1/27/2016	Gage/Walker-Concrete Pavement	5,018	-	-	5,018
3/17/2016	Gage/Walker-Concrete Pavement	451	-	-	451
4/04/2016	Gage/Walker-Concrete Pavement	4,088	-	-	4,088
4/06/2016	Gage/Walker-Concrete Pavement	7,934	-	-	7,934
4/08/2016	Gage/Walker-Concrete Pavement	22,425	-	-	22,425
5/05/2016	Gage/Walker-Concrete Pavement	474	-	-	474
5/06/2016	Gage/Walker-Concrete Pavement	3,474	-	-	3,474
6/03/2016	Gage/Walker-Concrete Pavement	5,300	-	-	5,300
6/30/2016	Gage/Walker-Concrete Pavement	10,920	-	-	10,920
6/30/2016	Pavement Rehabilitation - Phase IV	253,886	-	-	253,886
6/30/2017	Pavement Rehabilitation - Phase IV	96,019	-	-	96,019
	<b>Total</b>	<b>\$ 3,029,809</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,029,809</b>

*See report of independent auditors.*

**City of Bell  
Measure R Local Return Fund  
Balance Sheets**

		June 30	
		2019	2018
<b>ASSETS</b>			
Cash and investments	\$	975,545	\$ 685,851
Interest receivable		4,737	1,079
Accounts receivable		4,052	-
Prepaid expense		4,400	-
<b>Total assets</b>	<b>\$</b>	<b>988,734</b>	<b>\$ 686,930</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	414,592	\$ 47,407
Retention payable		19,469	17,600
Accrued payroll and employee benefits		343	218
<b>Total liabilities</b>		<b>434,404</b>	<b>65,225</b>
<b>Fund balance</b>			
Restricted		554,330	621,705
<b>Total fund balance</b>		<b>554,330</b>	<b>621,705</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>988,734</b>	<b>\$ 686,930</b>

*See notes to Funds financial statements.*



**City of Bell**  
**Measure R Local Return Fund**

**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2019	2018
<b>Revenues</b>		
Measure R	\$ 454,846	\$ 425,489
Interest income	30,447	1,973
Reimbursements from Gateway Cities Council of Governments	8,241	-
<b>Total revenues</b>	<b>493,534</b>	427,462
 <b>Expenditures</b>		
Various projects	560,909	358,049
<b>Total expenditures</b>	<b>560,909</b>	358,049
 Excess (deficiency) of revenues over expenditures	 (67,375)	 69,413
 Fund balance at beginning of year	 621,705	 552,292
 Fund balance at end of year	 \$ 554,330	 \$ 621,705

*See notes to Funds financial statements.*

City of Bell  
Measure R Local Return Fund  
Supplementary Information

Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
Year ended June 30, 2019  
(With Comparative Actuals for 2018)

Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	Pavement Rehabilitation Project 2017/18 \$	-	-	-	45,880
1.05	Pavement Rehabilitation Project 2016/17	-	-	-	259,227
1.05	Pavement Management System Update	11,600	8,995	2,605	2,084
1.05	Street Name Signs	50,000	3,484	46,516	10,024
1.05	Street Rehabilitation Project	141,731	65,315	76,416	-
1.05	Street Repair and Maintenance	73,000	31,544	41,456	-
1.90	Fishburn Ave Improvement	512,072	409,779	102,293	-
3.05	Sidewalk Assessment and Repair Project	141,600	12,433	129,167	30,229
3.20	Traffic Cabinet Wraps	50,000	-	50,000	-
7.10	Eco Rapid Transit Membership	5,100	5,100	-	-
8.10	Fund Administration (20% cap)	21,947	24,259	(2,312)	10,605
	<b>Total expenditures \$</b>	<b>1,007,050 \$</b>	<b>560,909 \$</b>	<b>446,141 \$</b>	<b>358,049</b>

*See report of independent auditors.*

**City of Bell**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2019**

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<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
5/21/2015	Pavement Rehabilitation Project	\$ 563,167	\$ -	\$ -	\$ 563,167
8/30/2015	Pavement Rehabilitation Project	500,000	-	-	500,000
	<b>Total</b>	<b>\$ 1,063,167</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,063,167</b>

*See report of independent auditors.*

**City of Bell  
Measure M Local Return Fund  
Balance Sheets**

		June 30	
		2019	2018
<b>ASSETS</b>			
Cash and investments	\$	767,578	\$ 380,407
Interest receivable		3,600	554
<b>Total assets</b>	<b>\$</b>	<b><u>771,178</u></b>	<b><u>\$ 380,961</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	45,402	\$ 169
Retention payable		427	-
Accrued payroll and employee benefits		297	219
<b>Total liabilities</b>		<b><u>46,126</u></b>	<b><u>388</u></b>
<b>Fund balance</b>			
Restricted		<u>725,052</u>	<u>380,573</u>
<b>Total fund balance</b>		<b><u>725,052</u></b>	<b><u>380,573</u></b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u>771,178</u></b>	<b><u>\$ 380,961</u></b>

*See notes to Funds financial statements.*

**City of Bell**  
**Measure M Local Return Fund**

**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2019	2018
<b>Revenues</b>		
Measure M	\$ 512,649	\$ 385,590
Interest income	21,191	296
<b>Total revenues</b>	<b>533,840</b>	<b>385,886</b>
 <b>Expenditures</b>		
Various projects	189,361	5,313
<b>Total expenditures</b>	<b>189,361</b>	<b>5,313</b>
 Excess of revenues over expenditures	344,479	380,573
 Fund balance at beginning of year	380,573	-
 Fund balance at end of year	<b>\$ 725,052</b>	<b>\$ 380,573</b>

*See notes to Funds financial statements.*

City of Bell  
Measure M Local Return Fund  
Supplementary Information  
Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
Year ended June 30, 2019  
(With Comparative Actuals for 2018)

Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	Street/Curb Pavement Markings/Striping Project	\$ -	\$ -	\$ -	2,623
1.05	Fishburn Ave Improvement	250,000	48,963	201,037	-
1.05	Traffic Signs	167,525	34,826	132,699	-
1.05	Street Name Signs	100,000	14,199	85,801	-
1.05	Street Curb Painting	50,000	23,484	26,516	-
1.05	Pavement Markings/Striping	50,000	34,938	15,062	-
3.05	Sidewalk Assessment and Repair	98,400	11,401	86,999	-
8.10	Fund Administration	19,000	21,550	(2,550)	2,690
	<b>Total expenditures</b>	<b>\$ 734,925</b>	<b>\$ 189,361</b>	<b>\$ 545,564</b>	<b>\$ 5,313</b>

*See report of independent auditors.*

**City of Bell**  
**Measure M Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2019**

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<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
None		\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*See report of independent auditors.*

City of Bell  
Transportation Development Act Article 3 Fund  
Pursuant to Public Utilities Code Section 99234  
Balance Sheets

		June 30	
		2019	(as restated) 2018
<b>ASSETS</b>			
Due from LACMTA		\$ 64,479	\$ 47,000
<b>Total assets</b>		<b>\$ 64,479</b>	<b>\$ 47,000</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable		\$ 4,762	\$ 4,179
Retention payable		-	1,444
Due to other funds		27,431	12,103
<b>Total liabilities</b>		<b>32,193</b>	<b>17,726</b>
<b>Fund balance</b>			
Restricted		32,286	29,274
<b>Total fund balance</b>		<b>32,286</b>	<b>29,274</b>
<b>Total liabilities and fund balance</b>		<b>\$ 64,479</b>	<b>\$ 47,000</b>

*See notes to Funds financial statements.*



**City of Bell**  
**Transportation Development Act Article 3 Fund**  
**Pursuant to Public Utilities Code Section 99234**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	<b>Years ended June 30</b>	
	<b>2019</b>	(as restated) <b>2018</b>
<b>Revenues</b>		
Intergovernmental Allocations:		
Article 3	\$ <b>64,479</b>	\$ 47,000
Interest income	<b>119</b>	8
<b>Total revenues</b>	<b>64,598</b>	47,008
 <b>Expenditures</b>		
Various projects	<b>61,586</b>	41,075
<b>Total expenditures</b>	<b>61,586</b>	41,075
 Excess of revenues over expenditures	<b>3,012</b>	5,933
 Fund balance at beginning of year	<b>29,274</b>	23,341
 Fund balance at end of year	<b>\$ 32,286</b>	\$ 29,274

*See notes to Funds financial statements.*

City of Bell  
**Transportation Development Act Article 3 Fund**  
**Pursuant to Public Utilities Code Section 99234**  
**Supplementary Information**  
**Schedule of Transportation Development Act Allocation for Specific Projects**  
**Year ended June 30, 2019**

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<b>Project Description</b>	<u>Program Year</u>	<u>Totals to Date</u>		<u>Unexpended Allocations</u>	<u>Project Status</u>
		<u>Allocations</u>	<u>Expenditures</u>		
<b>Local Allocations:</b>					
Florence Avenue Pedestrian Improvement	2019	\$ 25,000	\$ 25,000	-	Ongoing
Pedestrian Countdown Signal Head Construction	2019	39,479	36,586	2,893	Ongoing
<b>Totals</b>		<u>\$ 64,479</u>	<u>\$ 61,586</u>	2,893	
Interest income				119	
Fund balance at beginning of year, as restated				<u>29,274</u>	
Fund balance at end of year				<u>\$ 32,286</u> *	

\* The remaining fund balance of \$32,286 was encumbered as of June 30, 2019.

*See report of independent auditors.*

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The operations of the Proposition A Local Return Fund (PALRF), the Proposition C Local Return Fund (PCLRF), the Measure R Local Return Fund (MRLRF), the Measure M Local Return Fund (MMLRF) and the Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds) 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 is derived from 15% of the county-wide ½ cent Measure R 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.

MMLRF is derived from 17% of the county-wide ½ cent Measure M 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.

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 and Measurement Focus**

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F are reported as Special Revenue Funds of the City and are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become "susceptible to accrual", that is, measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred.

Special Revenue Funds are reported on a spending or "financial flow" measurement focus. This means that generally, only current assets, current liabilities and deferred inflows and outflows of resources are included on their balance sheets. Statements of revenues, expenditures and changes in fund balances for Special Revenue Funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**Budgets and Budgetary Accounting**

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by LACMTA and are presented in accordance with accounting principles generally accepted in the United States of America.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurement**

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investments at fair value and recognizes unrealized gain (loss) on investments.

Refer to the City's Comprehensive Annual Financial Report for detailed disclosures regarding the City's investments policy and fair value measurement disclosures.

**Fund Balance Reporting**

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F report the following fund balance classification as of June 30, 2019 and 2018:

- Restricted - Amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The use of the Funds' remaining fund balances are restricted for projects approved by LACMTA.

Information regarding the fund balance reporting policy adopted by the City is described in the City's Comprehensive Annual Financial Report.

**NOTE 2      ANNUAL FINANCIAL STATEMENTS**

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F, and do not purport to, and do not, present fairly the City's financial position as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

The Proposition A Ordinance requires that Local Return (LR) funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded with other Jurisdictions in exchange for general or other funds.

The Proposition C Ordinance directs that LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C LR funds cannot be traded.

Proposition A and Proposition C LR funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated.

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. See accompanying Compliance Matrix.

**NOTE 4      MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS**

The Measure R Ordinance specifies that LR funds be used exclusively for transportation purposes.

Measure R LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

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. See accompanying Compliance Matrix.

**NOTE 5      MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS**

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Los Angeles County Traffic Improvement Plan Ordinance approved by the Metro Board of Directors on June 23, 2016. The Measure M Ordinance specifies that LR funds be used exclusively for transportation purposes.

Measure M LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

**NOTE 5      MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)**

In accordance with *Measure M Local Return Program Guidelines*, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 6      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. See accompanying Compliance Matrix.

**NOTE 7      CASH AND INVESTMENTS**

The PALRF, PCLRF, MRLRF, MMLRF 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.

Please refer to the City's Comprehensive Annual Financial Report (CAFR) for a full description of risks relating to cash and investments.

**NOTE 8      PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANTS**

The City received Proposition A Discretionary Incentive Grant amounting to \$20,590 and \$0 for the years ended June 30, 2019 and 2018, respectively, which represents additional funds received from LACMTA for participating in the sub-regional paratransit services program.

The Proposition A Discretionary Incentive Program Grants were recorded in PALRF.

**NOTE 9      CAPITAL RESERVE AGREEMENTS – PCLRF**

**Street Intersection, Striping and Landscaped Median Improvements along Atlantic Avenue (Project Code 380-03)**

On June 30, 2017, LACMTA and the City entered into a capital reserve agreement to establish a capital reserve account (Account) of \$400,000 for the Street Intersection, Striping and Landscaped Median Improvements along Atlantic Avenue Project.

The account is funded with the Proposition C Local Return funds allocated to the City. All interest is accrued in the Account for use exclusively for the said project. If the project is not completed by June 30, 2021, any unexpended funds shall lapse and be returned to LACMTA.

**NOTE 9 CAPITAL RESERVE AGREEMENTS – PCLRF (CONTINUED)**

**Traffic Signal Equipment Upgrades (Project Code 380-04)**

In June 2019, LACMTA and the City entered into a capital reserve agreement to establish a capital reserve account (Account) of \$100,000 for the Traffic Signal Equipment Upgrades Project.

The Account is funded with the Proposition C Local Return funds allocated to the City. All interest is accrued in the Account for use exclusively for the said project. If the project is not completed by June 30, 2024, any unexpended funds shall lapse and be returned to LACMTA.

**Florence Avenue and Slauson Avenue Bridge Maintenance (Project code 380-05)**

In June 2019, LACMTA and the City entered into a capital reserve agreement to establish a capital reserve account (Account) of \$128,000 for the Florence Avenue and Slauson Avenue Bridge Maintenance Project.

The Account is funded with the Proposition C Local Return funds allocated to the City. All interest is accrued in the Account for use exclusively for the said project. If the project is not completed by June 30, 2024, any unexpended funds shall lapse and be returned to LACMTA.

For the years ended June 30, 2019 and 2018, following is the capital reserve amounts:

	<u>380-03</u>	<u>380-04</u>	<u>380-05</u>
Capital reserve, June 30, 2017	\$ -	\$ -	\$ -
Set-up of capital reserve account	400,000	-	-
Interest income earned	1,143	-	-
Capital reserve, June 30, 2018	<u>401,143</u>	<u>-</u>	<u>-</u>
Set-up of capital reserve account	-	100,000	128,000
Interest income earned	14,053	3,513	4,497
Capital reserve, June 30, 2019	<u>\$ 415,196</u>	<u>\$ 103,513</u>	<u>\$ 132,497</u>

**NOTE 10      RESTATEMENT OF 2018 TDA ARTICLE 3 FUND FINANCIAL STATEMENTS**

The 2018 financial statements of TDAA3F were restated to remove certain expenditures that relate to the Florence Avenue Pedestrian Improvement and Countdown Pedestrian Heads Installation projects that were reimbursed by Caltrans in FY 2018/19. The adjustments were reflected on the following accounts:

	Balance, as previously reported	Adjustment	Balance, as adjusted
Due to other funds	\$ 24,283	\$ (12,180)	\$ 12,103
Fund balance	17,094	12,180	29,274
Expenditures	53,255	(12,180)	41,075

**NOTE 11      TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION**

The revenue allocations for the years ended June 30, 2019 and 2018 consisted of the following:

	<b>2019</b>	2018
FY 2013/14 allocation	\$ -	\$ 27,386
FY 2014/15 allocation	<b>4,011</b>	19,614
FY 2015/16 allocation	<b>22,931</b>	-
FY 2016/17 allocation	<b>23,952</b>	-
FY 2017/18 allocation	<b>13,585</b>	-
	<b>\$ 64,479</b>	\$ 47,000



**NOTE 12      TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED**

In accordance with TDA Article 3 (SB821) Guidelines, funds which will not be 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 LACMTA. As of June 30, 2019 and 2018, the City has funds on reserve as follows:

	<b>2019</b>	2018
FY 2014/15 reserve	\$ -	\$ 4,011
FY 2015/16 reserve	-	22,931
FY 2016/17 reserve	-	23,952
FY 2017/18 reserve	<b>10,335</b>	23,920
FY 2018/19 allocation	<b>24,689</b>	-
	<b>\$ 35,024</b>	\$ 74,814

For FY 2018/19, any TDA Article 3 funds left on reserve for FY 2014/15 or prior, are subject to lapse if not claimed by the City by June 30, 2019. There were no funds that lapsed in FY 2018/19.

**NOTE 13      SUBSEQUENT EVENTS**

The City has evaluated subsequent events through November 27, 2019, the date the financial statements were available to be issued and concluded no events have occurred that require disclosure or adjustments to the financial statements.

**Report of Independent Auditors 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 Bell, California and the  
Los Angeles County Metropolitan Transportation Authority**

We have audited, in accordance with the 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, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Bell, California (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 27, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Funds' financial statements, we considered the City's internal control over the Funds' financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Funds' 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.

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 Funds' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Glendale, California  
November 27, 2019**

**COMPLIANCE SECTION**

## Report of Independent Auditors on Compliance

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

### Report on Compliance

We have audited the compliance of the City of Bell, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2019.

#### ***Management's Responsibility***

Management is responsible for the City's compliance with the Guidelines.

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

Our responsibility is to express an opinion on the City's compliance with the Guidelines based on our audit. We conducted our audit of compliance in accordance with the 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. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M Local Return Program and Transportation Development Act Article 3 Program occurred. An audit includes examining, on a test basis, evidence about the 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 with the Guidelines. However, our audit does not provide a legal determination of the City's compliance with the Guidelines.

#### ***Opinion***

In our opinion, the City of Bell, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2019.



## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

A handwritten signature in black ink that reads "Vaquero &amp; Company LLP".

**Glendale, California**  
**November 27, 2019**

**City of Bell  
Compliance Matrix  
Year ended June 30, 2019**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>					
1. Uses the State Controller's Uniform System of Accounts and Records.	X				
2. Timely use of funds.	X				
3. Funds expended were approved and have not been substituted for property tax.	X				
4. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A)	X				
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X				
6. All on-going and carryover projects were reported in Form B.	X				
7. Annual Project Summary Report (Form B) was submitted timely.	X				
8. Annual Expenditure Report (Form C) was submitted timely.	X				
9. Cash or cash equivalents are maintained.	X				
10. Accounting procedures, record keeping and documentation are adequate.	X				
11. Pavement Management System (PMS) in place and being used for Street Maintenance or Improvement Projects Expenditures.	X				
12. Local Return Account is credited for reimbursable expenditures.	X				
13. Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X		
14. Assurances and Understandings form was on file.	X				
15. Recreational Transit Form was submitted timely.	X				

*See report of independent auditors on compliance.*

**City of Bell  
Compliance Matrix  
Year ended June 30, 2019**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>					
1. Funds were expended for transportation purposes.	X				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure R Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form One) was submitted timely.	X				
8. Expenditure Report (Form Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

*See report of independent auditors on compliance.*



**City of Bell  
Compliance Matrix  
Year ended June 30, 2019**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>					
1. Funds were expended for transportation purposes.	X				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure M Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form M-One) was submitted timely.	X				
8. Expenditure Report (Form M-Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

*See report of independent auditors on compliance.*

**City of Bell  
Compliance Matrix  
Year ended June 30, 2019**

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Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>D. Transportation Development Act Article 3 Fund</b>					
1. Timely use of funds.	X				
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				

*See report of independent auditors on compliance.*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**City of Bell**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2019**

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There were no findings noted.

**EXIT CONFERENCE**

An exit conference was held on November 27, 2019 with the City of Bell representatives. Those in attendance were:

Vasquez and Company LLP representative:  
    Marialyn Salvador – Audit Senior Manager

City of Bell representatives:  
    Tineke Norrdin – Finance Director  
    Elisa Gratil – Finance Manager

Matters discussed:

Results of the audit disclosed no significant compliance of financial statement issue.

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

Tineke Norrdin – Finance Director  
Elisa Gratil – Finance Manager



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