



MetroTM

**City of Carson
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, 2020 and 2019
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 Carson, 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 Carson, California (the City) which comprise the Funds' balance sheets as of June 30, 2020 and 2019, and the related statements of revenues, expenditures and changes in fund balances for the years 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 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 Carson, California, as of June 30, 2020 and 2019, 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.

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 Carson, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2020 and 2019, 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 19, 2020 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 "Vazquez & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
November 19, 2020**

City of Carson
Proposition A Local Return Fund
Balance Sheets

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	850,935	\$ 465,767
Due from LACMTA		-	191,892
Other receivables		455	809
Total assets	\$	851,390	\$ 658,468
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable and accrued liabilities	\$	52,886	\$ 245,922
Accrued payroll		-	15,536
Total liabilities		52,886	261,458
Deferred inflow of resources			
Unavailable revenue		-	191,892
Total deferred inflow of resources		-	191,892
Fund balance			
Restricted		798,504	205,118
Total fund balance		798,504	205,118
Total liabilities and fund balance	\$	851,390	\$ 658,468

See notes to Funds financial statements.

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

	Years ended June 30	
	2020	2019
Revenues		
Proposition A	\$ 1,814,856	\$ 1,880,608
Proposition A Discretionary Incentive Program grant	191,892	-
Investment income	19,166	13,621
Project generated revenues	73,873	114,894
Total revenues	2,099,787	2,009,123
Expenditures		
Various projects	1,506,401	1,954,894
Total expenditures	1,506,401	1,954,894
Excess of revenues over expenditures	593,386	54,229
Fund balance at beginning of year	205,118	150,889
Fund balance at end of year	\$ 798,504	\$ 205,118

See notes to Funds financial statements.

City of Carson
 Proposition A Local Return Fund
 Supplementary Information
 Schedule of Expenditures – Actual and LACMTA Approved Project Budget
 Year ended June 30, 2020
 (With Comparative Actuals for 2019)

Project Code	Project Name	2020		Variance Positive (Negative)	2019 Actual
		LACMTA Budget	Actual		
110-09	Carson Circuit	\$ 800,000	\$ 615,971	\$ 184,029	\$ 846,890
110-10	Long Beach Transit	20,951	20,951	-	15,282
110-14	CNG Fuel for the Carson Circuit	125,000	108,103	16,897	167,847
120-08	Bus Operation	250,000	224,535	25,465	254,889
170-06	Bus Stop Maintenance	95,000	95,512	(512)	91,051
240-02	Dial-A-Taxi	475,000	420,915	54,085	557,862
480-11	General Administration	23,000	20,414	2,586	21,073
Total expenditures		\$ 1,788,951	\$ 1,506,401	\$ 282,550	\$ 1,954,894

See report of independent auditors.

City of Carson
Proposition A Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

Date Acquired	Description	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
N/A	None	\$ -	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

City of Carson
Proposition C Local Return Fund
Balance Sheets

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	1,545,515	\$ 966,607
Total assets	\$	1,545,515	\$ 966,607
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable and accrued liabilities	\$	25,598	\$ 131,811
Accrued payroll		-	1,296
Total liabilities		25,598	133,107
Fund balance			
Restricted		1,519,917	833,500
Total fund balance		1,519,917	833,500
Total liabilities and fund balance	\$	1,545,515	\$ 966,607

See notes to Funds financial statements.

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

		Years ended June 30	
		2020	2019
Revenues			
Proposition C	\$	1,505,427	\$ 1,559,912
Investment income		30,808	27,786
Project generated revenues		20,847	39,905
Total revenues		1,557,082	1,627,603
Expenditures			
Various projects		870,665	1,272,460
Total expenditures		870,665	1,272,460
Excess of revenues over expenditures		686,417	355,143
Fund balance at beginning of year		833,500	478,357
Fund balance at end of year	\$	1,519,917	\$ 833,500

See notes to Funds financial statements.

City of Carson
 Proposition C Local Return Fund
 Supplementary Information
 Schedule of Expenditures – Actual and LACMTA Approved Project Budget
 Year ended June 30, 2020
 (With Comparative Actuals for 2019)

Project Code	Project Name	2020		Variance Positive (Negative)	2019 Actual
		LACMTA Budget	Actual		
110-09	Carson Circuit	\$ 820,000	\$ 728,018	\$ 91,982	\$ 1,049,713
110-13	North-South Shuttle	5,000	2,349	2,651	22,421
110-14	CNG Fuel for the Carson Circuit	125,000	108,075	16,925	165,826
220-15	Carson Circuit Transit Security	40,000	30,274	9,726	34,500
240-03	Emergency Lyft Service	500	1,949 *	(1,449)	-
Total expenditures		\$ 990,500	\$ 870,665	\$ 119,835	\$ 1,272,460

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

See report of independent auditors.

City of Carson
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
FY 15/16	Glaval Legacy Bus 2016	\$ 158,201	\$ -	-	\$ 158,201
FY 15/16	2017 Blue Bird Bus	346,911	-	-	346,911
FY 16/17	Coin Sorter	5,854	-	-	5,854
FY 17/28	Project #1547 - Turmont St Rehabilitation	546,570	-	-	546,570
Total		\$ 1,057,536	\$ -	-	\$ 1,057,536

See report of independent auditors.

City of Carson
Measure R Local Return Fund
Balance Sheets

		June 30	
		2020	2019
ASSETS			
Cash and investments		\$ 2,921,539	\$ 3,159,318
	Total assets	\$ 2,921,539	\$ 3,159,318
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ -	\$ 293,563
Accrued payroll		-	947
Due to other funds		553	495
	Total liabilities	553	295,005
Fund balance			
Restricted		2,920,986	2,864,313
	Total fund balance	2,920,986	2,864,313
	Total liabilities and fund balance	\$ 2,921,539	\$ 3,159,318

See notes to Funds financial statements.

City of Carson
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2020	2019
Revenues		
Measure R	\$ 1,127,455	\$ 1,170,270
Investment income	69,913	90,068
Total revenues	1,197,368	1,260,338
 Expenditures		
Various projects	1,140,695	327,740
Total expenditures	1,140,695	327,740
 Excess of revenues over expenditures	56,673	932,598
 Fund balance at beginning of year	2,864,313	1,931,715
 Fund balance at end of year	\$ 2,920,986	\$ 2,864,313

See notes to Funds financial statements.

City of Carson
Measure R Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.10	Sepulveda Boulevard Widening	\$ -	\$ -	\$ -	3,969
1.10	Wilmington/I-405 Improvement	700,000	548,475	151,525	320,434
2.29	Broadway Traffic Signal Upgrade	132,000	1,140	130,860	3,337
3.90	Dominguez Channel Bike Path PI	50,000	10,286	39,714	-
3.90	Dominguez Channel Bike Path PII	50,000	11,345	38,655	-
8.10	General Administration	10,000	-	10,000	-
	Measure M and R Bond Debt Service Fee	-	569,449 *	(569,449)	-
	Total expenditures	\$ 942,000	\$ 1,140,695	\$ (198,695)	\$ 327,740

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

See report of independent auditors.

City of Carson
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

Date Acquired	Description	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
FY 12/13	Project 954 - Del Amo Median	\$ 1,165,089	\$ -	\$ -	\$ 1,165,089
FY 14/15	Project 1252 - Pedestrian Bridge 213th at Dominguez	278,537	-	-	278,537
FY 14/15	Project 1359 - Citywide Annual Concrete Replacement	767,492	-	-	767,492
FY 14/15	Project 1360 - Citywide Annual Overlay	1,276,274	-	-	1,276,274
FY 17/18	Wilmington/I-405 Improvement	1,142,719	-	-	1,142,719
FY 18/19	Wilmington/I-405 Improvement	548,474	-	-	548,474
Total		\$ 5,178,585	\$ -	\$ -	\$ 5,178,585

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	2,243,919	\$ 1,555,962
Total assets	\$	2,243,919	\$ 1,555,962
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	-	\$ 1,256
Accrued payroll		-	506
Total liabilities		-	1,762
Fund balance			
Restricted		2,243,919	1,554,200
Total fund balance		2,243,919	1,554,200
Total liabilities and fund balance	\$	2,243,919	\$ 1,555,962

See notes to Funds financial statements.

City of Carson
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

		Years ended June 30	
		2020	2019
Revenues			
Measure M	\$	1,268,804	\$ 1,318,352
Investment income		57,406	42,069
Total revenues		1,326,210	1,360,421
 Expenditures			
Various projects		636,491	694,151
Total expenditures		636,491	694,151
Excess of revenues over expenditures		689,719	666,270
Fund balance at beginning of year		1,554,200	887,930
Fund balance at end of year		\$ 2,243,919	\$ 1,554,200

See notes to Funds financial statements.

City of Carson
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	Citywide Pavement Overlay	\$ 90,000	\$ 55,770	\$ 34,230	\$ 17,601
1.05	Citywide Slurry Seal	-	-	-	675,414
1.05	Carson Green Streets/Trees Expansion	89,305	-	89,305	-
1.05	Carson Green Streets and Sustainability	169,981	-	169,981	-
1.05	Albertoni Street Rehab	143,000	11,272	131,728	-
1.05	Turmont Street Project	-	-	-	1,136
2.01	Traffic Signal Installation - West Entrance	150,000	-	150,000	-
2.01	Traffic Signal Installation - East Entrance	150,000	-	150,000	-
	Measure M and R Bond Debt Service Fee	-	569,449 *	(569,449)	-
	Total expenditures	\$ 792,286	\$ 636,491	\$ 155,795	\$ 694,151

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

See report of independent auditors.

City of Carson
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
FY 17/18	Project #1547 - Turmont St Rehabilitation	\$ 84,336	\$ -	\$ -	\$ 84,336
	Total	\$ 84,336	\$ -	\$ -	\$ 84,336

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Cash	\$	-	\$ 3,012
Due from LACMTA		27,614	-
Total assets	\$	27,614	\$ 3,012
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	20,947	\$ -
Total liabilities		20,947	-
Fund balance			
Restricted		6,667	3,012
Total fund balance		6,667	3,012
Total liabilities and fund balance	\$	27,614	\$ 3,012

See notes to Funds financial statements.

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

	Years ended June 30	
	2020	2019
Revenues		
Intergovernmental Allocation:		
Article 3	\$ 27,614	\$ 83,000
Investment income	-	2,456
Total revenues	27,614	85,456
Expenditures		
Construction/Maintenance	23,959	82,444
Total expenditures	23,959	82,444
Excess of revenues over expenditures	3,655	3,012
Fund balance at beginning of year	3,012	-
Fund balance at end of year	\$ 6,667	\$ 3,012

See notes to Funds financial statements.

City of Carson
 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, 2020

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Local Allocations:					
Purchase and Installation of Bus Shelters and Benches Along Sidewalk	2020	\$ 27,614	\$ 23,959	\$ 3,655	In-progress
Totals		<u>\$ 27,614</u>	<u>\$ 23,959</u>	3,655	
Investment income				-	
Fund balance at beginning of year				<u>3,012</u>	
Fund balance at end of year				<u>\$ 6,667</u> *	

* The remaining fund balance of \$6,667 was encumbered as of June 30, 2020.

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 (CAFR) 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, 2020 and 2019:

- 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 is restricted for projects approved by LACMTA.

Information regarding the fund balance reporting policy adopted by the City is described in the City's CAFR.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and deferred inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources reported by the City represent resources that are not available for spending as of June 30, 2020 and 2019.

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, 2020 and 2019, 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.

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 CAFR for a full description of risks relating to cash and investments.

NOTE 8 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANT

The City entered into various Memorandum of Understanding (MOU) agreements with the Los Angeles County Metropolitan Transportation Authority (LACMTA) to receive Proposition A Discretionary Incentive Program grant for participating in the National Transit Database (NTD) Voluntary Reporting program. The amount received for the year ended June 30, 2020 consisted of the following:

Agreement Date	Program Year	MOU Amount	Amount Received
7/31/2018	FY 2015/16	\$ <u>191,892</u>	\$ <u>191,892</u>

NOTE 9 PROJECT GENERATED REVENUES

Project generated revenues for the years ended June 30, 2020 and 2019 consisted of the following:

PALRF

	<u>2020</u>	<u>2019</u>
Dial-A-Ride fares	\$ 53,786	\$ 79,230
Carson Circuit fares	15,998	35,664
EZ Transit pass	4,089	-
	<u>\$ 73,873</u>	<u>\$ 114,894</u>

PCLRF

	<u>2020</u>	<u>2019</u>
Carson Circuit fares	\$ 20,847	\$ 39,879
North / South Shuttle fares	-	26
	<u>\$ 20,847</u>	<u>\$ 39,905</u>

NOTE 10 LIMITED PUBLIC FINANCING AUTHORITY SALES TAX REVENUE CERTIFICATES AND BONDS (LIMITED TAX BONDS)

On October 10, 2019, the City issued \$18,830,000 Measure M and R Limited Tax Bonds (Bonds) for the purpose of financing the design, acquisition, and construction of certain roadway and street improvement projects in the City, pay cost of issuance of the bonds, purchase a municipal bond insurance policy and purchase a reserve surety for the debt service reserve fund. The bonds are secured and payable solely from the City's annual Measure M and Measure R Sales Tax receipts.

Interest on the bonds is payable semi-annually each June 1 and December 1, beginning June 1, 2020. Principal matures each June 1 beginning 2020 and maturing in 2039. Interest rates on the bonds vary between 3.00% and 4.00%. Proceeds from the issuance was recorded under Measure M and R Bond Fund. The principal balance outstanding at June 30, 2020 was \$18,190,000.

In FY2019/20, the City paid principal and interest amounting to \$640,000 and \$498,898, respectively, which was equally paid out of the MRLRF and MMLRF. The following is the movement in the bonds and interest payable for the year ended June 30, 2020:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Total bond and interest payable	\$ 18,830,000	\$ 8,544,898	\$ 27,374,898
Less: Payment of principal and interest	(640,000)	(498,898)	(1,138,898)
Oustanding balance as of June 30, 2020	<u>\$ 18,190,000</u>	<u>\$ 8,046,000</u>	<u>\$ 26,236,000</u>

NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the years ended June 30, 2020 and 2019 consisted of the following:

		2020		2019
FY 2014/15 allocation	\$	-	\$	51,589
FY 2015/16 allocation		27,614		31,411
	\$	27,614	\$	83,000

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, 2020 and 2019, the City has funds on reserve as follows:

		2020		2019
FY 2015/16 allocation	\$	-	\$	27,614
FY 2016/17 allocation		61,717		61,717
FY 2017/18 allocation		61,210		61,210
FY 2018/19 allocation		63,499		63,499
FY 2019/20 allocation		67,544		-
Total reserve	\$	253,970	\$	214,040

For FY 2019/20, any TDA Article 3 funds left on reserve for FY 2015/16 or prior, are subject to lapse if not claimed by the City by June 30, 2020. There were no funds that lapsed in FY 2019/20.

NOTE 13 SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities.

The City has evaluated subsequent events through November 19, 2020, the date the financial statements were available to be issued and concluded no other 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 Carson, 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 Carson, California (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2020.

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

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 19, 2020

COMPLIANCE SECTION

Report of Independent Auditors on Compliance

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

Report on Compliance

We have audited the compliance of the City of Carson, 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, 2020.

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 Carson, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2020.



Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the requirements, which is described in the accompanying Schedule of Findings and Questioned Costs as Finding #2020-001 through #2020-003. Our opinion is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response is 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 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 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 "Vaguez & Company LLP".

**Glendale, California
November 19, 2020**

**City of Carson
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
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			See Finding #2020-001
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X				There were no administrative expenses charged to PCLRF.
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 Carson
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
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			See Finding #2020-002
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		There were no administrative expenses charged to MRLRF.
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 Carson
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
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 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			See Finding #2020-003
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		There were no administrative expenses charged to MMLRF.
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 Carson
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
D. Transportation Development Act Article 3 Fund					
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 Carson
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

PCLRF: Finding #2020-001

Compliance Reference	Section I(C) Project Description Form (Form A) of the Proposition A and C Local Return Guidelines states that, "Jurisdictions shall submit for approval a Project Description Form (Form A) prior to the expenditure of funds for: 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 0.75 miles or greater service change that duplicates/overlays an existing transit service; or 5) a 25 percent or greater change in an approved LR project budget or scope on all operating or capital LR projects."
Condition	<p>The City exceeded LACMTA's approved budget by more than 25 percent without obtaining approval through a revised Form A for PCLRF's Project Code 240-03, Emergency Lyft Services project. Amount in excess of 25 percent of the approved budget was \$1,324.</p> <p>Projects with greater than 25 percent change from the approved project budget should be amended by submitting a revised Project Description Form (Form A).</p>
Cause	This condition was caused by staff oversight.
Effect	The City's PCLRF project expenditures exceeded 25 percent of the approved project budget without LACMTA's prior approval which resulted in the City's noncompliance with the Guidelines.
Recommendation	We recommend that the City submit a revised Form A to obtain LACMTA's approval for the change in project budget and implement internal controls to ensure compliance with this requirement at all times.
Management's Response	<p>The City will obtain LACMTA approval prior to spending LACMTA funded projects.</p> <p>The City requested to increase the budget and was granted a retroactive approval on the amended budget for this project on October 14, 2020.</p>
Findings Resolved During the Audit	LACMTA Program Manager granted retroactive approval of said project on October 14, 2020. No additional follow up is required.

City of Carson
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

MRLRF: Finding #2020-002

<p>Compliance Reference</p>	<p>Section B (II) Expenditure Plan (Form One) of Measure R Local Return Program Guideline states that, "To maintain legal eligibility and meet Measure R LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form One), annually, by August 1st of each year.</p> <p>Expenditure Plan (Form One) provides a listing of projects funded with Measure R LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. For capital projects (projects over \$250,000), Part II is required. Pursuant to AB2321, LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan.</p>
<p>Condition</p>	<p>The City claimed expenditures for Measure R's share in the Measure M and R Bond Debt Service Payment, totaling \$569,449 with no prior approval from LACMTA.</p> <p>The projects to be financed by the bond proceeds were approved when the bonds were issued in October 2019, however, the City is still required to include the annual budgeted amounts of debt service in Form One and have it approved by LACMTA.</p>
<p>Cause</p>	<p>The City was not aware that Bond Debt Service payments require annual approval from LACMTA as it is the City's first time issuing Measure M and R Bonds, which are payable from MRLRF and MMLRF funds. However, all future Bond Debt Service payments shall be reported and/or budgeted accordingly.</p>
<p>Effect</p>	<p>The City claimed expenditures totaling \$569,449 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>
<p>Recommendation</p>	<p>We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure R-funded projects.</p>

City of Carson
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

MRLRF: Finding #2020-002 (CONTINUED)

Management's Response	The City will obtain LACMTA approval prior to spending on LACMTA funded projects. The City submitted a revised Expenditure Plan (Form One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on October 15, 2020.
Findings Resolved During the Audit	LACMTA Program Manager granted retroactive approval of said project on October 15, 2020. No additional follow up is required.

City of Carson
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

MMLRF: Finding #2020-003

Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year.</p> <p>Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan.</p>
Condition	<p>The City claimed expenditures for Measure M's share in the Measure M and R Bond Debt Service Payment, totaling \$569,449 with no prior approval from LACMTA.</p> <p>The projects to be financed by the bond proceeds were approved when the bonds were issued in October 2019, however, the City is still required to include the annual budgeted amounts of debt service in Form M-One and have it approved by LACMTA.</p>
Cause	<p>The City was not aware that Bond Debt Service payments require annual approval from LACMTA as it is the City's first time issuing Measure M and R Bonds, which are payable from MRLRF and MMLRF funds. However, all future Bond Debt Service payments shall be reported and/or budgeted accordingly.</p>
Effect	<p>The City claimed expenditures totaling \$569,449 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>
Recommendation	<p>We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.</p>

City of Carson
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

MMLRF: Finding #2020-003 (CONTINUED)

<p>Management's Response</p>	<p>The City will obtain LACMTA approval prior to spending on LACMTA funded projects.</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on October 15, 2020.</p>
<p>Findings Resolved During the Audit</p>	<p>LACMTA Program Manager granted retroactive approval of said project on October 15, 2020. No additional follow up is required.</p>

EXIT CONFERENCE

An exit conference was held on November 18, 2020 with the City of Carson representatives. Those in attendance were:

Vasquez and Company LLP representatives:

Cristy Canieda – Audit Partner
Shweta Mehrotra – Audit Supervisor

City of Carson representatives:

Claudia Buenrostro – Accounting Manager
Phat Nguyen – Accountant

Matters discussed:

Results of the audit disclosed instances of noncompliance with the Guidelines.

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

Tarik Rahmani – Director of Finance
Claudia Buenrostro – Accounting Manager
Phat Nguyen – Accountant



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Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about-us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.