



**Metro<sup>TM</sup>**

**City of Huntington Park  
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 Huntington Park, California and the  
Los Angeles County Metropolitan Transportation Authority**

### Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, 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 Huntington Park, 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 Huntington Park, 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.

### ***Other Matter***

As discussed in Note 10, the fiscal year 2019 financial statements have been restated to accrue interest income, to reclassify LACMTA fuel reimbursement from Proposition A Local Return Fund for the share of Proposition C and Measure R Local Return Funds, to reverse the retention payable related to the project ATP Cycle II CIP 2016-01 Design, and to report TDA Article 3 Fund additional expenditures. 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 Huntington Park, 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 December 14, 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 "Vasquez &amp; Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California  
December 14, 2020**

**City of Huntington Park  
Proposition A Local Return Fund  
Balance Sheets**

		June 30	
		2020	(as restated) 2019
<b>ASSETS</b>			
Cash and investments	\$	466,311	\$ 379,074
Due from Metro Transit Services		12,816	12,558
Interest receivable		295	446
<b>Total assets</b>	<b>\$</b>	<b>479,422</b>	<b>\$ 392,078</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	45,903	\$ 34,102
Accrued payroll		2,907	1,631
<b>Total liabilities</b>		<b>48,810</b>	<b>35,733</b>
<b>Fund balance</b>			
Restricted		430,612	356,345
<b>Total fund balance</b>		<b>430,612</b>	<b>356,345</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>479,422</b>	<b>\$ 392,078</b>

*See notes to Funds financial statements.*



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

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	Years ended June 30	
	2020	(as restated) 2019
<b>Revenues</b>		
Proposition A	\$ 1,154,033	\$ 1,192,179
Interest Income	4,273	2,839
Project generated revenues	66,438	99,906
LACMTA fuel reimbursement	116,800	58,488
Miscellaneous	-	4,500
<b>Total revenues</b>	<b>1,341,544</b>	1,357,912
 <b>Expenditures</b>		
Various projects	1,267,277	1,103,488
<b>Total expenditures</b>	<b>1,267,277</b>	1,103,488
 Excess of revenues over expenditures	74,267	254,424
 Fund balance at beginning of year	356,345	101,921
 Fund balance at end of year	\$ 430,612	\$ 356,345

*See notes to Funds financial statements.*

**City of Huntington Park**  
**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)**

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Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
110-02	Fixed Route Public Transit Services	\$ 390,203	\$ 376,248	\$ 13,955	\$ 244,176
120-01	General Public Paratransit Dial-A-Ride	736,565	736,565	-	638,600
140-02	Special Event Transit	3,345	3,345	-	5,850
180-01	Shuttle Maintenance	16,000	15,582	418	18,343
180-02	Fuel for Fixed Route and Dial-A-Ride	38,000	38,857	(857)	44,204
250-01	User Side Subsidy (Elderly/Handicapped)	54,927	46,625	8,302	73,370
270-04	Orange Line	-	-	-	18,909
480-03	Administration Prop A	78,137	50,055	28,082	60,036
<b>Total expenditures</b>		<b>\$ 1,317,177</b>	<b>\$ 1,267,277</b>	<b>\$ 49,900</b>	<b>\$ 1,103,488</b>

*See report of independent auditors.*

**City of Huntington Park**  
**Proposition A 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>
6/30/2000	Fargo Quatro I.D.	\$ 4,435	\$ -	\$ -	\$ 4,435
7/17/2003	2005 Chevrolet 15-Passenger Express Van	27,929	-	-	27,929
7/28/2003	Chevrolet Van Unit #195	645	-	-	645
7/30/2008	El Dorado Elite 270	610,512	-	-	610,512
6/14/2010	Ford E-350 Paratransit bus	53,131	-	-	53,131
6/15/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
6/16/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
6/17/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
2/16/2016	Starcraft Allstar Bus	252,908	-	-	252,908
<b>Total</b>		<b>\$ 1,131,294</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,131,294</b>

*See report of independent auditors.*

**City of Huntington Park  
Proposition C Local Return Fund  
Balance Sheets**

		<b>June 30</b>	
		<b>2020</b>	(as restated) 2019
<b>ASSETS</b>			
Cash and investments	\$	<b>761,868</b>	\$ 551,769
Interest receivable		<b>473</b>	480
<b>Total assets</b>	<b>\$</b>	<b><u>762,341</u></b>	<b><u>552,249</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	<b>75,933</b>	\$ 47,252
Accrued payroll		<b>10,920</b>	9,019
<b>Total liabilities</b>		<b><u>86,853</u></b>	<b><u>56,271</u></b>
<b>Fund balance</b>			
Restricted		<b>675,488</b>	495,978
<b>Total fund balance</b>		<b><u>675,488</u></b>	<b><u>495,978</u></b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u>762,341</u></b>	<b><u>552,249</u></b>

*See notes to Funds financial statements.*

**City of Huntington Park  
Proposition C Local Return Fund**

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

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	Years ended June 30	
	2020	(as restated) 2019
<b>Revenues</b>		
Proposition C	\$ 957,273	\$ 988,879
Interest income	6,045	6,131
LACMTA fuel reimbursement	-	44,204
<b>Total revenues</b>	<b>963,318</b>	1,039,214
 <b>Expenditures</b>		
Various projects	783,808	849,845
<b>Total expenditures</b>	<b>783,808</b>	849,845
 Excess of revenues over expenditures	 179,510	 189,369
 Fund balance at beginning of year	 495,978	 306,609
 Fund balance at end of year	 \$ 675,488	 \$ 495,978

*See notes to Funds financial statements.*

**City of Huntington Park**  
**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)**

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Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
110-02	Fixed Route Public Transit Services	\$ 376,500	\$ 362,545	\$ 13,955	\$ 463,490
150-01	Bus Stop Improvements	-	-	-	200,510
170-01	Bus Shelter Maintenance Program	215,880	207,862	8,018	-
180-02	Fuel for Fixed Route & Dial-A-Ride	38,000	38,857	(857)	-
180-02	Transit Operator Vehicle Replacement	-	-	-	44,204
270-01	COG & JPA	44,000	43,909	91	-
480-03	Administration Prop C	386,843	130,635	256,208	141,641
<b>Total expenditures</b>		<b>\$ 1,061,223</b>	<b>\$ 783,808</b>	<b>\$ 277,415</b>	<b>\$ 849,845</b>

*See report of independent auditors.*

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

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<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>
1/01/2002	Bus Shelter Improvement	\$ 127,166	\$ -	\$ -	\$ 127,166
8/31/2005	Santa Fe Resurfacing	29,907	-	-	29,907
6/19/2018	Parking Pay Stations	120,000	-	-	120,000
<b>Total</b>		<b>\$ 277,073</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 277,073</b>

*See report of independent auditors.*

**City of Huntington Park  
Measure R Local Return Fund  
Balance Sheets**

		<b>June 30</b>	
		<b>2020</b>	(as restated) 2019
<b>ASSETS</b>			
Cash and investments	\$	<b>1,618,231</b>	\$ 1,582,270
Due from LACMTA		-	14,442
Interest receivable		<b>718</b>	1,336
<b>Total assets</b>	<b>\$</b>	<b><u>1,618,949</u></b>	<b><u>1,598,048</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	<b>155,292</b>	\$ 117,809
Accrued payroll		<b>6,748</b>	875
<b>Total liabilities</b>		<b><u>162,040</u></b>	<b><u>118,684</u></b>
<b>Fund balance</b>			
Restricted		<b><u>1,456,909</u></b>	<u>1,479,364</u>
<b>Total fund balance</b>		<b><u>1,456,909</u></b>	<b><u>1,479,364</u></b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u>1,618,949</u></b>	<b><u>1,598,048</u></b>

*See notes to Funds financial statements.*



**City of Huntington Park  
Measure R Local Return Fund**

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

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	Years ended June 30	
	2020	(as restated) 2019
<b>Revenues</b>		
Measure R	\$ 716,937	\$ 741,872
Interest income	11,138	27,274
LACMTA fuel reimbursement	-	44,204
Project generated revenues	-	14,442
<b>Total revenues</b>	<b>728,075</b>	<b>827,792</b>
 <b>Expenditures</b>		
Various projects	750,530	1,596,799
<b>Total expenditures</b>	<b>750,530</b>	<b>1,596,799</b>
 Deficiency of revenues over expenditures	<b>(22,455)</b>	<b>(769,007)</b>
 Fund balance at beginning of year	<b>1,479,364</b>	<b>2,248,371</b>
 Fund balance at end of year	<b>\$ 1,456,909</b>	<b>\$ 1,479,364</b>

*See notes to Funds financial statements.*

**City of Huntington Park**  
**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			(as restated)
		LACMTA Budget	Actual	Variance Positive (Negative)	2019 Actual
1.05	Paving Improvements for Florence, Zoe, and others	\$ -	\$ -	\$ -	723,081
1.90	Engineering Administration	50,000	50,000	-	-
2.03	CIP - 2018-05 Signal Synch & Bus Speed Improvements	102,677	102,677	-	-
3.20	CIP 2016-01 ATP Cycle II	36,000	32,928	3,072	-
4.25	Metro Transit Fuel and Oil	38,000	38,857	(857)	44,204
4.25	Fixed Route Transit	331,500	362,545	(31,045)	299,282
4.25	Contractual Service Other	-	-	-	259,327
5.20	Pacific Boulevard Pedestrian and Transportation Improvements	-	-	-	110,597
5.40	CIP 2018-07 Downtown HP I-Park Implementation Project	545,873	28,654	517,219	-
7.90	CIP 2018-05 Signal Synch & Bus Speed Improvements	42,187	38,796	3,391	-
7.90	ATP Cycle II CIP 2016-01 Design	-	-	-	57,249
7.90	CIP 2018-07 Downtown Huntington Park "I-Park" System Implementation	69,080	42,809	26,271	62,556
8.10	Fund Administration (20% cap)	145,734	53,264	92,470	40,503
<b>Total expenditures</b>		<b>\$ 1,361,051</b>	<b>\$ 750,530</b>	<b>\$ 610,521</b>	<b>\$ 1,596,799</b>

*See report of independent auditors.*

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

<b>Date Acquired</b>	<b>Description</b>	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2020</b>
10/09/2014	Samsung LED Sign	\$ 6,450	\$ -	\$ -	6,450
01/25/2018	Pacific Blvd Lighting & Beautification	18,000	-	-	18,000
03/16/2018	Middleton SR2S	52,654	-	-	52,654
07/03/2018	Pacific Blvd Lighting & Beautification	13,556	-	-	13,556
07/03/2018	Pacific Blvd Lighting & Beautification	9,022	-	-	9,022
07/31/2018	Pacific Blvd Lighting & Beautification	6,149	-	-	6,149
09/04/2018	Pacific Blvd Lighting & Beautification	5,184	-	-	5,184
02/05/2019	Downtown i-Park System	22,924	-	-	22,924
02/14/2019	Pacific Blvd Project	110,561	-	-	110,561
02/21/2019	Street Improvement Project	36,322	-	-	36,322
04/02/2019	Downtown i-Park System	39,632	-	-	39,632
04/02/2019	Construction Mgmt Pacific Blvd Project	35,834	-	-	35,834
04/17/2019	Street Improvement Project	686,758	-	-	686,758
06/30/2019	Safety Enhancement Improvement ATP Cycle 2	58,249	-	-	58,249
<b>Total</b>		<b>\$ 1,101,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,101,295</b>

*See report of independent auditors.*

**City of Huntington Park  
Measure M Local Return Fund  
Balance Sheets**

		June 30	
		2020	(as restated) 2019
<b>ASSETS</b>			
Cash and investments	\$	1,469,451	\$ 699,027
Interest receivable		1,150	653
<b>Total assets</b>	<b>\$</b>	<b>1,470,601</b>	<b>\$ 699,680</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	20,311	\$ 40,974
<b>Total liabilities</b>		<b>20,311</b>	<b>40,974</b>
<b>Fund balance</b>			
Restricted		1,450,290	658,706
<b>Total fund balance</b>		<b>1,450,290</b>	<b>658,706</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>1,470,601</b>	<b>\$ 699,680</b>

*See notes to Funds financial statements.*

**City of Huntington Park  
Measure M Local Return Fund**

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

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		Years ended June 30	
		2020	(as restated) 2019
<b>Revenues</b>			
Measure M	\$	806,630	\$ 835,925
Interest income		11,172	11,730
<b>Total revenues</b>		<b>817,802</b>	847,655
<b>Expenditures</b>			
Various projects		26,218	819,475
<b>Total expenditures</b>		<b>26,218</b>	819,475
Excess of revenues over expenditures		791,584	28,180
Fund balance at beginning of year		658,706	630,526
Fund balance at end of year		\$ 1,450,290	\$ 658,706

*See notes to Funds financial statements.*

**City of Huntington Park**  
**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)**

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Project Code	Project Name	2020		Variance Positive (Negative)	2019 Actual
		LACMTA Budget	Actual		
1.05	City-wide Street Improvements	\$ -	\$ -	\$ -	\$ 819,475
2.13	CIP 2018-07 Downtown i-Park	66,800	20,000	46,800	-
3.20	CIP 2016-01 ATP Cycle II	500,000	6,218	493,782	-
<b>Total expenditures</b>		<b>\$ 566,800</b>	<b>\$ 26,218</b>	<b>\$ 540,582</b>	<b>\$ 819,475</b>

*See report of independent auditors.*

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

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<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>
6/7/2019	2018-19 Various street paving project	\$ 819,475	\$ -	\$ -	\$ 819,475
	<b>Total</b>	<b>\$ 819,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 819,475</b>

*See report of independent auditors.*

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

		June 30	
		2020	(as restated) 2019
<b>ASSETS</b>			
Cash and investments	\$	-	\$ 58,964
Interest receivable		<u>2</u>	117
<b>Total assets</b>	<b>\$</b>	<b><u>2</u></b>	<b>\$ <u>59,081</u></b>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>			
<b>Liabilities</b>			
Accounts payable	\$	6,089	\$ 5,751
Cash overdraft		<u>70,416</u>	-
<b>Total liabilities</b>		<b><u>76,505</u></b>	<b><u>5,751</u></b>
<b>Fund balance (deficit)</b>			
Restricted		<u>(76,503)</u>	<u>53,330</u>
<b>Total fund balance (deficit)</b>		<b><u>(76,503)</u></b>	<b><u>53,330</u></b>
<b>Total liabilities and fund balance (deficit)</b>	<b>\$</b>	<b><u>2</u></b>	<b>\$ <u>59,081</u></b>

*See notes to Funds financial statements.*



**City of Huntington Park**  
**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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	Years ended June 30	
	2020	(as restated) 2019
<b>Revenues</b>		
Intergovernmental Allocations:		
Article 3	\$ -	\$ -
Interest income	1,894	1,802
<b>Total revenues</b>	<b>1,894</b>	<b>1,802</b>
<b>Expenditures</b>		
Construction/Maintenance	131,727	102,769
<b>Total expenditures</b>	<b>131,727</b>	<b>102,769</b>
Deficiency of revenues over expenditures	(129,833)	(100,967)
Fund balance at beginning of year	53,330	154,297
Fund balance (deficit) at end of year	\$ (76,503)	\$ 53,330

*See notes to Funds financial statements.*

**City of Huntington Park**  
**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**

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<b>Project Description</b>	<u>Program Year</u>	Totals to Date		<u>Unexpended Allocations</u>
		<u>Allocations</u>	<u>Expenditures</u>	
<b>Local Allocations:</b>				
Pacific Blvd Project - Bike Racks, Benches and Crosswalk Improvements	2020	\$ -	\$ 131,727	\$ (131,727)
<b>Totals</b>		\$ -	\$ 131,727	(131,727)
Interest income				1,894
Fund balance at beginning of year				53,330
Fund deficit at end of year				\$ (76,503)

*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) of the City of Huntington Park (the City) 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 CAFR for a full description of risks relating to cash and investments.

**NOTE 8      PROJECT GENERATED REVENUES**

**PALRF**

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

	2020	2019
Dial-A-Ride fares	\$ 885	\$ 1,345
Fixed route fares	42,303	65,051
LACMTA bus pass sales	23,250	33,510
	\$ 66,438	\$ 99,906

**NOTE 8 PROJECT GENERATED REVENUES (CONTINUED)**

**MRLRF**

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

	<u>2020</u>		<u>2019</u>
Park pay station	\$ -	\$	14,442
	<u>\$ -</u>	<u>\$</u>	<u>14,442</u>

**NOTE 9 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:

	<u>2020</u>		<u>2019</u>
FY 2017/18 allocation	\$ 38,896	\$	38,896
FY 2018/19 allocation	40,259		40,259
FY 2019/20 allocation	42,955		-
Total reserve	<u>\$ 122,110</u>	<u>\$</u>	<u>79,155</u>

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 10 RESTATEMENT OF 2019 FINANCIAL STATEMENTS**

The 2019 financial statements were restated to reflect the adjustments on the following accounts:

**PALRF**

	Balance, as previously reported	Adjustment	Balance, as adjusted
Cash and investments	\$ 467,383	\$ (88,309)	\$ 379,074
Interest receivable	-	446	446
Fund balance	444,208	(87,863)	356,345
LACMTA fuel reimbursement	144,898	(86,410)	58,488
Interest income	2,394	445	2,839
Miscellaneous revenue	6396	(1,896)	4,500

**NOTE 10      RESTATEMENT OF 2019 FINANCIAL STATEMENTS (CONTINUED)**

The restatement of the Proposition A Local Return Fund financial statements is to accrue interest income and reallocate LACMTA fuel reimbursement to reflect the share of Proposition C and Measure R Local Return Funds in Fiscal Year 2019.

**PCLRF**

	<u>Balance, as previously reported</u>	<u>Adjustment</u>	<u>Balance, as adjusted</u>
Cash and investments	\$ 507,565	\$ 44,204	\$ 551,769
Interest receivable	-	480	480
Accrued payroll	9,018	1	9,019
Fund balance	451,295	44,683	495,978
LACMTA fuel reimbursement	-	44,204	44,204
Interest income	5,652	479	6,131

The restatement of the Proposition C Local Return Fund financial statements is to accrue interest income and record its share of revenue from LACMTA fuel reimbursement in Fiscal Year 2019.

**MRLRF**

	<u>Balance, as previously reported</u>	<u>Adjustment</u>	<u>Balance, as adjusted</u>
Cash and investments	\$ 1,538,065	\$ 44,205	\$ 1,582,270
Interest receivable	-	1,336	1,336
Accounts payable	118,774	(965)	117,809
Accrued payroll	877	(2)	875
Fund balance	1,432,856	46,508	1,479,364
LACMTA fuel reimbursement	-	44,204	44,204
Project generated revenues	14,443	(1)	14,442
Interest income	25,937	1,337	27,274
Expenditures	1,597,764	(965)	1,596,799

The restatement of the Measure R Local Return Fund financial statements is to accrue interest income, reverse the retention payable related to the project ATP Cycle II CIP 2016-01 Design and record its share of revenue from LACMTA fuel reimbursement in Fiscal Year 2019.



**NOTE 10      RESTATEMENT OF 2019 FINANCIAL STATEMENTS (CONTINUED)**

**MMLRF**

	<u>Balance, as previously reported</u>	<u>Adjustment</u>	<u>Balance, as adjusted</u>
Interest receivable	\$ -	\$ 653	\$ 653
Fund balance	658,053	653	658,706
Interest income	11,077	653	11,730

The restatement of the Measure M Local Return Fund financial statements is to accrue interest income in Fiscal Year 2019.

**TDA3**

	<u>Balance, as previously reported</u>	<u>Adjustment</u>	<u>Balance, as adjusted</u>
Cash and investments	\$ 137,479	\$ (78,515)	\$ 58,964
Interest receivable	-	117	117
Accounts payable	5,752	(1)	5,751
Fund balance	131,727	(78,397)	53,330
Interest income	1,684	118	1,802
Expenditures	24,254	78,515	102,769

The restatement of the TDA Article 3 Fund financial statements is to accrue interest income and record additional expenditures in Fiscal Year 2019.

**NOTE 11      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 events subsequent to June 30, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 14, 2020, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in 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 Huntington Park, 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 Huntington Park, 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 December 14, 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 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 and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the Schedule of Findings on Internal Control over Financial Reporting as Finding No. FS 2020-001, that we consider to be a material weakness.



### **The City's Response to the Finding**

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

### **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, the 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.

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

**Glendale, California  
December 14, 2020**

**Finding No. FS 2020-001: Year-end Closing Process**

*Criteria*

Proposition A and Proposition C Local Return Guidelines Section V, Measure R Local Return Guidelines Section VII and Measure M Local Return Guidelines Section XXV states that, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines."

*Condition and Context*

The 2019 City audit and clean-up process resulted in several adjustments that impacted the previously reported 2019 local return funds account balances. This resulted in restatement of the 2019 financial statements of PALRF, PCLRF, MRLRF, MMLRF, and TDA3 Fund. To date, the 2019 audit has not yet been finalized. The 2020 audit is expected to be completed following the 2019 audit.

*Cause and Effect*

Per discussion with the Finance Director, during 2019 and 2020, the City has initiated an effort to correct the financial statements which involved reperforming reconciliations of the City's balance sheet accounts that have carried errors for several years, such as bank reconciliations, accounts payable reconciliation and capital assets reconciliation, among others. These reconciliations have resulted in adjustments that impacted the balances that were previously reported in the local return funds' 2019 financial statements.

*Recommendation*

We recommend that the City continue to properly implement reconciliation procedures to ensure that annual audits are completed in a timely manner. The timing of specific procedures could be coordinated with the timing of management's or the auditor's need for the information. These reconciliations will provide assurance that financial statements are meaningful and accurate.

*Views of Responsible Officials*

The City is in the process of completing its 2019 and 2020 audits and recording related adjustments and completing related procedures. The City is putting procedures in place to ensure monthly and annual year-end closing processes are well documented and occur on time.

**COMPLIANCE SECTION**

## Report of Independent Auditors on Compliance

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

### Report on Compliance

We have audited the compliance of the City of Huntington Park, 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 Huntington Park, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2020.



## 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 "Vasquez &amp; Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California**  
**December 14, 2020**

**City of Huntington Park  
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>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 Huntington Park  
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>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 Huntington Park  
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>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		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 Huntington Park  
Compliance Matrix  
Year ended June 30, 2020**

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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 Huntington Park  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2020**

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There were no findings noted.

**EXIT CONFERENCE**

An exit conference was held on December 10, 2020 with the City of Huntington Park representative. Those in attendance were:

Vasquez and Company LLP representatives:  
Cristy Canieda – Audit Partner  
Shweta Mehrotra – Audit Supervisor  
Erica Ong – Senior Auditor

City of Huntington Park representative:  
Nita McKay – Director of Finance and Administrative Services

Matters discussed:

Results of the audit disclosed an issue on internal control over financial reporting.

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

Nita McKay – Director of Finance and Administrative Services



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