

***CITY OF BELLFLOWER  
ANNUAL FINANCIAL REPORT OF THE  
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  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021 AND 2020***



**Metro<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

***CITY OF BELLFLOWER***  
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***FINANCIAL SECTION***

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF) and Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds), of the City of Bellflower, California (the City) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our 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 audit 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F of the City of Bellflower, California, as of June 30, 2021 and 2020, 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 PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F of the City and do not purport to, and do not, present fairly the financial position of the City of Bellflower, California, as of June 30, 2021 and 2020, 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. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Funds' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Funds' financial statements or to the Funds' 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' financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have issued our report dated November 3, 2021, 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 cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
November 3, 2021

**CITY OF BELLFLOWER**  
**PROPOSITION A LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,885,297	\$ 1,850,610
Interest receivable	<u>1,262</u>	<u>7,696</u>
Total assets	<u>\$ 1,886,559</u>	<u>\$ 1,858,306</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 58,798	\$ 218,741
Retention payable	-	13,642
Accrued payroll and benefits payable	<u>4,273</u>	<u>5,849</u>
Total liabilities	<u>63,071</u>	<u>238,232</u>
 <b>Fund Balance</b>		
Restricted	<u>1,823,488</u>	<u>1,620,074</u>
Total fund balance	<u>1,823,488</u>	<u>1,620,074</u>
Total liabilities and fund balance	<u>\$ 1,886,559</u>	<u>\$ 1,858,306</u>

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

**CITY OF BELLFLOWER**  
**PROPOSITION A LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Years Ended June 30**

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Proposition A	\$ 1,575,566	\$ 1,504,389
Proposition A Discretionary Incentive Grant (Note 8)	89,618	-
Interest income	<u>7,528</u>	<u>46,646</u>
Total revenues	<u>1,672,712</u>	<u>1,551,035</u>
<b>EXPENDITURES</b>		
Various projects	<u>1,469,298</u>	<u>2,691,341</u>
Total expenditures	<u>1,469,298</u>	<u>2,691,341</u>
Excess (deficiency) of revenues over expenditures	203,414	(1,140,306)
Fund balance at beginning of year	<u>1,620,074</u>	<u>2,760,380</u>
Fund balance at end of year	<u><u>\$ 1,823,488</u></u>	<u><u>\$ 1,620,074</u></u>

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



**CITY OF BELLFLOWER**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
105	Dial-A-Ride/Fixed Route	\$ 861,957	\$ 652,816	\$ 209,141	\$ 597,904
120	Long Beach Transit Subsidy	20,580	20,235	345	22,194
170	Transit Facilities Maintenance	7,600	-	7,600	-
205	Bus Shelters	99,083	13,950	85,133	291,063
210	Special Events Vehicle	23,206	3,566	19,640	5,996
215	Annual Debt Service for the Regional Transit Center and Parking Structure (Note 9)	750,000	721,070	28,930	750,000
290	Regional Transit Center and Parking Structure (Transit Plaza - Regional)	-	-	-	973,402
610	Administration	54,743	57,661	(2,918)	50,782
Total expenditures		\$ 1,817,169	\$ 1,469,298	\$ 347,871	\$ 2,691,341

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
8/13/08	Starcraft Starlite Paratransit Bus	\$ 45,781	\$ -	\$ 45,781	\$ -
10/10/11	HID Global Fargo Dial-A-Ride Printer	3,055	-	3,055	-
12/19/14	Transit Center/16337 Bellflower Boulevard	1,438,251	-	-	1,438,251
11/11/16	Bus Shelter Improvements	128,164	-	-	128,164
2/28/18	Local Transfer Station	721,620	-	-	721,620
3/9/20	Card Printer	2,646	-	-	2,646
4/28/20	Regional Transit Center/Parking Structure	1,584,347	-	-	1,584,347
5/26/20	Fortinet Firewall with Installation and HPE Office Connection	7,996	-	-	7,996
10/6/20	Bus Shelter Improvements	-	338,306	-	338,306
12/3/20	Traffic Signal	-	100,932	-	100,932
Total		\$ <u>3,931,860</u>	\$ <u>439,238</u>	\$ <u>48,836</u>	\$ <u>4,322,262</u>

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**PROPOSITION C LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,843,004	\$ 2,104,470
Interest receivable	1,244	6,965
Total assets	\$ 1,844,248	\$ 2,111,435
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 88,785	\$ 629,451
Retention payable	-	34,690
Accrued payroll and benefits payable	5,216	4,283
Total liabilities	94,001	668,424
 <b>Fund Balance</b>		
Restricted	1,750,247	1,443,011
Total fund balance	1,750,247	1,443,011
Total liabilities and fund balance	\$ 1,844,248	\$ 2,111,435

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

**CITY OF BELLFLOWER**  
**PROPOSITION C LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Years Ended June 30

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Proposition C	\$ 1,306,875	\$ 1,247,894
Interest income	8,052	38,347
Other income	1,390	-
Total revenues	<u>1,316,317</u>	<u>1,286,241</u>
<b>EXPENDITURES</b>		
Various projects	<u>1,014,435</u>	<u>1,729,504</u>
Total expenditures	<u>1,014,435</u>	<u>1,729,504</u>
<b>OTHER FINANCING SOURCE</b>		
Sale of capital assets (Note 10)	<u>5,354</u>	<u>607</u>
Total other financing source	<u>5,354</u>	<u>607</u>
Excess (deficiency) of revenues over expenditures and other financing source	307,236	(442,656)
Fund balance at beginning of year	<u>1,443,011</u>	<u>1,885,667</u>
Fund balance at end of year	\$ <u><u>1,750,247</u></u>	\$ <u><u>1,443,011</u></u>

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

**CITY OF BELLFLOWER**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
105	Transit Officer	\$ 496,357	\$ 500,483	\$ (4,126)	\$ 474,085
170	Bus Stop Shelter Maintenance	129,519	125,887	3,632	107,313
180	Internet Publishing	168,320	148,902	19,418	185,369
215	Transit Facilities Maintenance	80,000	71,379	8,621	19,621
270	Annual Debt Service for the Regional Transit Center and Parking Structure (Note 9)	102,086	-	102,086	98,940
302	Traffic Signal Improvements	200,000	67,155	132,845	-
440	Street Improvements	-	-	-	740,775
470	Membership Dues for Gateway Cities COG and Orange Line Development Authority	50,000	42,050	7,950	42,050
620	Direct Administration	70,268	58,579	11,689	61,351
765	Pavement Management System	35,000	-	35,000	-
Total expenditures		\$ <u>1,331,550</u>	\$ <u>1,014,435</u>	\$ <u>317,115</u>	\$ <u>1,729,504</u>

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
06/30/98	20 Pasenger Bus/Handicap	\$ 45,479	\$ -	\$ 45,479	\$ -
09/24/99	Natural Smooth Benches	6,078	-	-	6,078
12/26/00	9 x 12 Presentation Screen	986	-	986	-
03/23/01	Traffic Signal Modification	7,186	-	-	7,186
03/23/01	Traffic Signal Modification	9,620	-	-	9,620
11/26/01	Lowel Lightning Kit	1,585	-	1,585	-
02/18/03	Wireless Network Device	3,759	-	3,759	-
02/18/03	Wireless Network Device	1,880	-	1,880	-
02/18/03	Wireless Network Device	1,880	-	1,880	-
03/24/03	After Effects 5.5 Pro Mac License	2,595	-	2,595	-
05/27/03	Somerset Boulevard Improvement	208,146	-	-	208,146
06/23/03	Artesia Boulevard Median Improvement	79,974	-	-	79,974
06/26/03	Proxim Tsunami Quickbridge 60 Kit	7,389	-	7,389	-
06/30/03	Somerset Boulevard Improvement	13,919	-	-	13,919
09/22/03	Artesia Boulevard Median Improvement	41,802	-	-	41,802
09/30/03	Somerset Boulevard At Clark Avenue	19,075	-	-	19,075
03/11/04	Bus Benches (7) with Bellflower Name	3,999	-	-	3,999
02/16/05	Concrete Bus Benches (6)	3,902	-	-	3,902
07/27/05	Emitters/Detectors/Selector	42,015	-	-	42,015
04/12/07	Traffic Signal Improvement/Bellflower	177,266	-	-	177,266
04/12/07	Traffic Signal Improvement/Bellflower	204,941	-	-	204,941
06/29/07	Railroad Elimination Project	90,000	-	-	90,000
01/21/08	Gx Disk Publisher	1,617	-	1,617	-
02/04/08	S251221A Apple Mac Pro Cto Computer	6,066	-	6,066	-
02/19/08	Audio Technical Dual Wireless Com	1,773	-	1,773	-
08/05/08	Hatachi Projector Lamp, Mounts	2,006	-	2,006	-
11/01/08	Towncenter Gateway Plaza/Traffic	85,000	-	-	85,000
12/31/09	West Branch Greenway (Phase I)	466,097	-	-	466,097
07/01/10	West Branch Greenway (Phase I)	79,856	-	-	79,856
07/27/10	Signals at Clark and Artesia	52,448	-	-	52,448
10/24/11	West Branch Greenway Landscape	55,581	-	-	55,581
02/27/13	Bellflower and Rosecrans Traffic Sign	10,592	-	-	10,592
06/30/13	Bellflower and Alondra Traffic Sign	40,562	-	-	40,562
07/15/13	Traffic Signal Upgrade	1,252	-	-	1,252
02/28/14	Website Re-Design	10,844	-	10,844	-
06/02/14	Bellflower Boulevard Rehabilitation	131,495	-	-	131,495
07/31/14	Bellflower Boulevard Rehabilitation	35,197	-	-	35,197
Sub-total \$		<u>1,953,862</u>	<u>\$ -</u>	<u>\$ 87,859</u>	<u>\$ 1,866,003</u>

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
(Continued)  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
09/29/14	Right of Way/17308 and 17320 Bellflower Boulevard	\$ 1,477,876	\$ -	\$ -	\$ 1,477,876
7/13/16	Bellflower Boulevard Rehabilitation	450,909	-	-	450,909
1/31/17	Installation of Crosswalks	51,703	-	-	51,703
12/12/17	Trash Receptacles	3,969	-	-	3,969
10/23/18	Pressure Washer	11,087	-	-	11,087
9/9/19	Install Wireless	5,562	-	-	5,562
2/29/20	Bellflower Boulevard/91 Freeway On- Ramp Widening Project	126,663	-	-	126,663
7/7/20	Bellflower Boulevard and Alondra Boulevard Rehab Project STPL-5348	-	171,760	-	171,760
7/30/20	Cold Mill Resurface	-	740,775	-	740,775
2/18/21	Elevator Camera	-	7,027	-	7,027
2/23/21	Pressure Washer	-	11,087	-	11,087
3/31/21	Park Assistance Surveillance	-	7,503	-	7,503
Total		\$ 4,081,631	\$ 938,152	\$ 87,859	\$ 4,931,924

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**MEASURE R LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,705,495	\$ 1,530,425
Interest receivable	1,175	4,984
Accounts receivable (Note 11)	-	1,490
Total assets	\$ 1,706,670	\$ 1,536,899
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 258,808	\$ 50,793
Retention payable	25,474	78,242
Sales/use tax payable	-	121
Accrued payroll and benefits payable	5,593	3,772
Total liabilities	289,875	132,928
 <b>Fund Balance</b>		
Restricted	1,416,795	1,403,971
Total fund balance	1,416,795	1,403,971
Total liabilities and fund balance	\$ 1,706,670	\$ 1,536,899

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



**CITY OF BELLFLOWER**  
**MEASURE R LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Years Ended June 30**

	2021	2020
<b>REVENUES</b>		
Measure R	\$ 981,515	\$ 934,581
Interest income	7,348	28,960
COVID-19 stimulus grant (Note 11)	-	1,490
Total revenues	988,863	965,031
<b>EXPENDITURES</b>		
Various projects	976,039	1,075,053
Total expenditures	976,039	1,075,053
Excess (deficiency) of revenues over expenditures	12,824	(110,022)
Fund balance at beginning of year	1,403,971	1,513,993
Fund balance at end of year	\$ 1,416,795	\$ 1,403,971

The accompanying notes are an integral part of the financial statements

**CITY OF BELLFLOWER**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
205	West Santa Ana Branch Eco Rapid Station - Design	\$ 28,011	\$ -	\$ 28,011	\$ 1,989
301	Traffic Signal	306,191	247,692	58,499	199,611
630	Fund Administration (20% cap)	51,364	74,025	(22,661)	46,767
805	Bike Trail Maintenance	197,634	202,772	(5,138)	213,945
820	ADA Improvements	280,000	282,550	(2,550)	339,461
820	Curb/Gutter/Sidewalk	169,000	169,000	-	273,280
Total expenditures		\$ 1,032,200	\$ 976,039	\$ 56,161	\$ 1,075,053

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
8/30/2011	Traffic Signal Improvements/Flower	\$ 143,550	\$ -	\$ -	\$ 143,550
10/24/2011	West Branch Greenway Landscape	4,795	-	-	4,795
3/9/2012	Bellflower/Woodruff Street	28,919	-	-	28,919
4/19/2013	Lakewood and Clark Sidewalk Project	104,460	-	-	104,460
6/10/2013	Clark Avenue Rehabilitation	17,532	-	-	17,532
6/30/2013	Cold Mill, Street Resurfacing	489,324	-	-	489,324
6/30/2013	Woodruff Avenue Pavement Rehabilitation	3,433	-	-	3,433
2/12/2014	Tree and Curb Removal - Sidewalk Project	17,294	-	-	17,294
6/10/2014	Virginia Avenue Widening	100,485	-	-	100,485
1/31/2015	Sidewalks, Curbs (13/14-05)	117,904	-	-	117,904
3/31/2015	Flora Vista Dog Park (14/15-06)	6,760	-	-	6,760
8/13/2015	Traffic Signal- California and Artesia	254,502	-	-	254,502
10/5/2015	Flower Street Rehabilitation	116,918	-	-	116,918
7/13/2016	Bellflower Boulevard Rehabilitation	152,651	-	-	152,651
9/2/2016	SR-91 Freeway Ramp Beautification	744,870	-	-	744,870
4/20/2017	Miscellaneous Concrete Improvements	298,726	-	-	298,726
6/8/2017	Curb Removal and Replacement	110,117	-	-	110,117
12/13/2017	Cold Mill Resurfacing	263,032	-	-	263,032
6/30/2018	91 Freeway Ramp	1,965	-	-	1,965
6/30/2018	Bellflower Walnut	90,916	-	-	90,916
7/1/2018	Bellflower Boulevard at Foster Road Traffic Signal	42,749	-	-	42,749
7/1/2018	Woodruff Avenue at Foster Road Traffic Signal	47,478	-	-	47,478
6/30/2019	Citywide ADA Curb Ramp Improvement - Phase I and II	694,250	-	-	694,250
6/30/2019	Citywide Curb, Gutter, Asphalt and Sidewalk - Phase I and II	335,691	-	-	335,691
2/29/2020	Bellflower Boulevard/91 Freeway On- Ramp Widening Project	322,056	-	-	322,056
5/12/2020	Eucalyptus Safe Route to School Project	86,349	-	-	86,349
6/30/2020	FY 19/20 Citywide ADA Curb Ramp Project	461,069	-	-	461,069
12/3/2020	Traffic Signal	-	134,060	-	134,060
Sub-total \$		<u>5,057,795</u>	<u>\$ 134,060</u>	<u>\$ -</u>	<u>\$ 5,191,855</u>

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
(Continued)  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
12/3/2020	Traffic Signal	\$ -	\$ 136,422	\$ -	\$ 136,422
6/30/2021	FY 20/21 Citywide ADA Curb Ramp Project	-	282,550	-	282,550
6/30/2021	FY 20/21 Citywide ADA Curb Ramp Project	-	151,674	-	151,674
6/30/2021	FY 20/21 Citywide ADA Curb Ramp Project	-	169,000	-	169,000
Total		<u>\$ 5,057,795</u>	<u>\$ 873,707</u>	<u>\$ -</u>	<u>\$ 5,931,502</u>

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**MEASURE M LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,860,875	\$ 1,051,872
Interest receivable	1,311	3,632
Total assets	\$ 1,862,186	\$ 1,055,504
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 648,416	\$ 4,798
Retention payable	46,395	77,733
Accrued payroll and benefits payable	527	416
Total liabilities	695,338	82,947
 <b>Fund Balance</b>		
Restricted	1,166,848	972,557
Total fund balance	1,166,848	972,557
Total liabilities and fund balance	\$ 1,862,186	\$ 1,055,504

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

**CITY OF BELLFLOWER**  
**MEASURE M LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Measure M	\$ 1,112,092	\$ 1,052,504
Interest income	<u>6,650</u>	<u>24,982</u>
Total revenues	<u>1,118,742</u>	<u>1,077,486</u>
<b>EXPENDITURES</b>		
Various projects	<u>924,451</u>	<u>1,406,483</u>
Total expenditures	<u>924,451</u>	<u>1,406,483</u>
Excess (deficiency) of revenues over expenditures	194,291	(328,997)
Fund balance at beginning of year	<u>972,557</u>	<u>1,301,554</u>
Fund balance at end of year	<u>\$ 1,166,848</u>	<u>\$ 972,557</u>

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

**CITY OF BELLFLOWER**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
**For the Fiscal Year Ended June 30, 2021**  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020
		Metro Budget	Actual	Variance Favorable (Unfavorable)	Actual
301	Traffic Signal Improvements	\$ 315,000	\$ -	\$ 315,000	\$ 549,901
610	Measure M - Administration	51,364	29,190	22,174	25,066
705	Slurry Seal Project	646,000	581,331	64,669	-
705	Street Improvements	509,241	-	509,241	594,516
725	ADA Improvement	237,000	313,930	(76,930)	237,000
Total expenditures		\$ 1,758,605	\$ 924,451	\$ 834,154	\$ 1,406,483

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
6/30/2019	Citywide ADA Curb Ramp Improvement - Phase I and II	\$ 236,991	\$ -	\$ -	\$ 236,991
5/12/2020	Eucalyptus Safe Route to School Project	594,516	-	-	594,516
6/30/2020	FY 19/20 Citywide ADA Curb Ramp Project	154,674	-	-	154,674
7/30/2020	Cold Mill Resurface	-	45,388	-	45,388
12/3/2020	Traffic Signal	-	248,003	-	248,003
12/3/2020	Traffic Signal	-	301,898	-	301,898
6/30/2021	FY 20/21 Citywide Concrete Improvement Project	-	82,326	-	82,326
6/30/2021	FY 20/21 Citywide Concrete Improvement Project	-	313,929	-	313,929
Total		\$ 986,181	\$ 991,544	\$ -	\$ 1,977,725

See accompanying independent auditor's report.



**CITY OF BELLFLOWER**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)**

**BALANCE SHEETS**

June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 4,253
Due from Metro	3,640	3,424
Total assets	\$ 3,640	\$ 7,677
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to General Fund	\$ 3,640	\$ -
Retention payable	-	7,677
Total liabilities	3,640	7,677
 <b>Fund Balance</b>		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 3,640	\$ 7,677

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

**CITY OF BELLFLOWER**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE**  
**For the Fiscal Years Ended June 30**

	2021	2020
<b>REVENUES</b>		
TDA 3	\$ 58,606	\$ 131,284
Total revenues	58,606	131,284
<b>EXPENDITURES</b>		
Various projects	58,606	130,000
Total expenditures	58,606	130,000
Excess of revenues over expenditures	-	1,284
Fund balance at beginning of year	-	(1,284)
Fund balance at end of year	\$ -	\$ -

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

**CITY OF BELLFLOWER**  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT  
ALLOCATION FOR SPECIFIC PROJECTS  
For the Fiscal Year Ended June 30, 2021

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
Stevens Avenue Sidewalk Project	2020-21	\$ <u>58,606</u>	\$ <u>58,606</u>	\$ <u>-</u>	Complete
Totals		\$ <u><u>58,606</u></u>	\$ <u><u>58,606</u></u>	-	
Fund balance at beginning of year				<u>-</u>	
Fund balance at end of year				\$ <u><u>-</u></u>	

See accompanying independent auditor's report.

**CITY OF BELLFLOWER**  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fund Accounting*

The operations of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and 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 a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

MMLRF is derived from 17% of a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

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*

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

Special Revenue Funds are reported on 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. Statement of revenue, expenditures and changes in fund balance for Special Revenue Funds generally present increases (revenue 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 presented in accordance with accounting principles generally accepted in the United States of America.

**CITY OF BELLFLOWER**  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fair Value Measurement*

In accordance with Government Accounting Standard Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2016, 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 investment at fair value and recognizes unrealized gain (loss) on investments.

Refer to City's 2021 Comprehensive Annual Financial Report for detailed disclosures regarding the City's investment policy and fair value measurement.

*Fund Balance Reporting*

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 resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F report the following fund balance classification as of June 30, 2021:

- Restricted – Amounts that are constrained for specific purpose, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The uses of the funds' remaining fund balances are restricted for projects approved by Los Angeles County Metropolitan Transportation Authority (Metro).

Information regarding the fund balance reporting policy adopted by the City is described in Note 1 to the City's Comprehensive Annual Financial Report.

Reclassification

Certain reclassifications have been made to fiscal year 2020 amounts in order to conform to the fiscal year 2021 presentation. Such reclassifications had no effect on the previously reported change in fund balance.

**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 their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines, Transportation Development Act Article 3 and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

**CITY OF BELLFLOWER**  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

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

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

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

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

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

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. 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's cash and investment balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash and investments account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average balances to the total of the pooled cash and investments.

**CITY OF BELLFLOWER**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 8 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT - PALRF**

The City entered into various Memorandum of Understanding (MOU) agreements with Los Angeles County Metropolitan Transportation Authority (Metro) to receive Proposition A Discretionary Incentive Grants for participating in the Consolidated National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2021 and 2020 consisted of the following:

Agreement Date	Period	NTD Voluntary Reporting	MOU Amount	Amount Received	
				2021	2020
May 1, 2020	5/1/20 – 6/30/23	FY 2017-18	\$ 44,316	\$ 44,316	\$ -
July 1, 2019	7/1/19 – 6/30/23	FY 2016-17	\$ 45,302	45,302	-
			Total	\$ 89,618	\$ -

The Proposition A Discretionary Incentive Grants were recorded under PALRF.

**NOTE 9 – ANNUAL DEBT SERVICE FOR THE REGIONAL TRANSIT CENTER AND PARKING STRUCTURE PROJECT CODE 215 - PALRF**

On June 1, 2008, the City and the Bellflower Financing Authority (Authority) entered into a lease agreement on premises which included the Civic Center property. The agreement was amended on January 1, 2018 whereby the City, as the agent of the Authority, has agreed to cause the construction of a regional transit center and parking structure (Project), and the City has leased the premises from the Authority. In order to finance the Project, the City and the Authority have authorized the sale of the \$10,000,000 City of Bellflower 2018 Certificates of Participation (2018 COPs). The City intends to pay the portion of the lease payments attributable to the 2018 COPs using the PALRF and PCLRF monies approved by Metro.

As of June 30, 2021 and 2020, PALRF allocation revenues were used to pay the 2018 COPs debt service and trustee fees of \$721,070 and 750,000, respectively. PCLRF allocation revenues were used to pay the 2018 COPs debt service of \$98,940 in the fiscal year ended June 30, 2020.

**NOTE 10 – SALE OF CAPITAL ASSETS - PCLRF**

In fiscal year ended June 30, 2021, the City sold a handicap bus in the amount of \$5,354 on May 13, 2021. Moreover, in fiscal year ended June 30, 2020, the City sold two pieces of camera equipment for a total amount of \$607 on March 7, 2020.

The proceeds from the sales were recorded under PCLRF.

**CITY OF BELLFLOWER**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 11 – COVID-19 STIMULUS GRANT**

In fiscal year ended June 30, 2020, the City received COVID-19 stimulus grant from Department of Justice – Justice Assistance Grant. According to the City, the expenditures incurred for MRLRF’s Bike Trail Maintenance Project Code 3.05 were qualified reimbursements from the grant in the amount of \$1,490. The stimulus grant was received in July 2020 and therefore, was recorded as a receivable as of June 30, 2020.

**NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION**

The revenue allocation for the years ended June 30, 2021 and 2020 consisted of the following:

		2021		2020
FY 2017-18 allocation	\$	-	\$	38,285
FY 2018-19 allocation		-		51,966
FY 2019-20 allocation		14,959		41,033
FY 2020-21 allocation		43,647		-
Total payment requested	\$	58,606	\$	131,284

**NOTE 13 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED**

In accordance with TDA Article 3 (SB821) Guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2021 and 2020, the City has funds on reserve as follows:

		2021		2020
FY 2019-20 allocation	\$	-	\$	14,959
Available reserve balance	\$	-	\$	14,959

**NOTE 14 – IMPACT OF CORONAVIRUS**

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. 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, including the United States.

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. However, the City’s management believes that the financial impact, if any, will not materially affect the June 30, 2021 Funds’ financial statements.



***CITY OF BELLFLOWER***  
NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 15 – SUBSEQUENT EVENTS**

The City has evaluated subsequent events through November 3, 2021, 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.



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Bellflower, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 3, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Funds' financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 entity'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Los Angeles, California  
November 3, 2021

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*COMPLIANCE SECTION*

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report on Compliance

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

### Report on Compliance

We have audited the compliance of the City of Bellflower, 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 the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2021.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guidelines referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 on Each Local Return Program and Transportation Development Act Article 3*

In our opinion, the City complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2021.





## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines 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 Guidelines 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 we consider to 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 cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
November 3, 2021

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021

Compliance Requirement		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 or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X			None	
2.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account.	X			None	
3.	Funds were expended with Metro’s approval and were not substituted for property tax.	X			None	
4.	Timely use of funds.	X			None	
5.	Administrative expenses are within the 20% cap.	X			None	
6.	Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.	X			None	
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X			None	
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
10.	Local Return Account is credited for reimbursable expenditures.	X			None	
11.	Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X	None	

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		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>						
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.			X	None	
14.	Recreational transit form was submitted on time.			X	None	
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	
16.	Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X			None	
17.	All on-going and carryover projects were reported on Form B or electronic equivalent.	X			None	
18.	Cash or cash equivalents are maintained.	X			None	
19.	Accounting procedures, record keeping, and documentation are adequate.	X			None	



**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		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			None	
2.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Annual Expenditure Report (Form Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X			None	
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>						
14.	Recreational transit form was submitted on time.			X	None	
15.	Fund exchanges were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		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			None	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
 Year Ended June 30, 2021  
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

**CITY OF BELLFLOWER**  
**COMPLIANCE MATRIX**  
 Year Ended June 30, 2021  
 (Continued)

Compliance Requirement		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			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	

***CITY OF BELLFLOWER***  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2021

No findings were noted.

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*EXIT CONFERENCE*

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**CITY OF BELLFLOWER**  
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  
EXIT CONFERENCE  
June 30, 2021

An exit conference was held on November 17, 2021 with the City of Bellflower. Those in attendance were:

***Simpson & Simpson Representative:***

Patrick Zhang, Staff Auditor

***City's Representative:***

Tae Rhee, Director of Finance, City Treasurer

***Matters Discussed:***

Results of the audit disclosed no significant control deficiencies or non-compliance issues with Metro Guidelines.

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

Tae Rhee, Director of Finance, City Treasurer



Simpson & Simpson, LLP  
633 West 5<sup>th</sup> Street, Suite 3320  
Los Angeles, CA 90071

RE: CITY OF BELLFLOWER ANNUAL FINANCIAL REPORT OF THE 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 FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

I have received the annual financial report of the 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 for the years ended June 30, 2021 and 2020 for the City of Bellflower and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date