



MetroTM

**City of Inglewood
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, 2021 and 2020
with Independent Auditor's Report**

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FINANCIAL SECTION

Independent Auditor's Report

**To the Honorable Members of the City Council of the
City of Inglewood, 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 Inglewood, California (the City) which comprise the Funds' balance sheets as of June 30, 2021 and 2020, 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.

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 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 Inglewood, 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 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 Inglewood, California, and do not purport to, and do not present fairly the financial position of the City 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 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 17, 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 black ink that reads "Vasquez & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
December 17, 2021**

**City of Inglewood
Proposition A Local Return Fund
Balance Sheets**

		June 30	
		2021	2020
ASSETS			
Cash and investments		\$ 2,581,210	\$ 3,318,519
	Total assets	\$ 2,581,210	\$ 3,318,519
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ 409,301	\$ 787,562
Retention payable		17,323	70,676
Accrued wages payable		31,346	119,898
	Total liabilities	457,970	978,136
Fund balance			
Restricted		2,123,240	2,340,383
	Total fund balance	2,123,240	2,340,383
	Total liabilities and fund balance	\$ 2,581,210	\$ 3,318,519

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition A	\$ 2,264,499	\$ 2,203,702
Investment income	18,674	75,394
Total revenues	2,283,173	2,279,096
Expenditures		
Various projects	2,500,316	4,554,565
Total expenditures	2,500,316	4,554,565
Deficiency of revenues over expenditures	(217,143)	(2,275,469)
Fund balance at beginning of year	2,340,383	4,615,852
Fund balance at end of year	\$ 2,123,240	\$ 2,340,383

See notes to Funds financial statements.

City of Inglewood
Proposition A Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
150	Transit Security	\$ 1,200,000	\$ 689,418	\$ 510,582	\$ 1,117,518
180	Inglewood Transit Connector	78,690	57,824	20,866	98,896
205	Transit Stop Improvements	98,700	71,500	27,200	-
205	Van Ness Avenue Bus Stop Improvement Project	-	-	-	349,299
205	N La Brea Ave Bus Stop Improvement Project	763	683	80	16,237
205	Century Blvd Bus Stop and Mobility Improvement Project	391,195	391,195	-	58,805
210	Paratransit Vehicles and Radios	-	-	-	82,153
215	Inglewood Transit Facility - Construction	150,317	150,074	243	622,782
280	City Last Mile Transit Connector	1,305,202	1,139,622	165,580	2,208,875
610	Administration	350,000	-	350,000	-
Total expenditures		\$ 3,574,867	\$ 2,500,316	\$ 1,074,551	\$ 4,554,565

See independent auditor's report.

City of Inglewood
Proposition A Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions / Adjustments</u>	<u>Deletions / Adjustments</u>	<u>Balance June 30, 2021</u>
2019	Transit Stop Improvement	\$ 649,769	\$ 71,500	\$ -	\$ 721,269
2019	N La Brea Avenue Improvement	686,074	683	-	686,757
2019	City Last Mile Transit Connector	3,944,903	1,139,622	-	5,084,525
2020	Van Ness Avenue Improvement	349,299	-	-	349,299
2020	Imperial Highway Improvement Project	45,183	-	-	45,183
2020	Century Blvd Mobility Improvement Project	58,805	391,195	-	450,000
2020	Inglewood Transit Facility	550,637	150,074	-	700,711
2020	Inglewood Transit Connector	73,724	57,824	-	131,548
Total		\$ 6,358,394	\$ 1,810,898	\$ -	\$ 8,169,292

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	1,487,528	\$ 791,638
Due from Metro		114,643	99,709
Due from other agencies (Note 8)		86,468	116,623
Total assets	\$	<u>1,688,639</u>	<u>\$ 1,007,970</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	23,626	\$ 289,795
Retention payable		10,630	7,336
Accrued wages payable		36,374	37,177
Total liabilities		<u>70,630</u>	<u>334,308</u>
Fund balance			
Restricted		<u>1,618,009</u>	<u>673,662</u>
Total fund balance		<u>1,618,009</u>	<u>673,662</u>
Total liabilities and fund balance	\$	<u>1,688,639</u>	<u>\$ 1,007,970</u>

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition C	\$ 1,878,320	\$ 1,827,976
Proposition A Discretionary Incentive Program grant (Note 9)	244,985	177,270
Investment income	6,755	8,651
Project generated revenues (Note 10)	125,438	235,865
Total revenues	2,255,498	2,249,762
 Expenditures		
Various projects	1,311,151	2,106,218
Total expenditures	1,311,151	2,106,218
 Excess of revenues over expenditures	 944,347	 143,544
 Fund balance at beginning of year	 673,662	 530,118
 Fund balance at end of year	 \$ 1,618,009	 \$ 673,662

See notes to Funds financial statements.

City of Inglewood
Proposition C Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021		Variance	2020 Actual
		Metro Budget	Actual	Positive (Negative)	
105	Market Street Trolley	\$ 100,000	\$ 85,891	\$ 14,109	\$ 84,081
106	Senior Citizen Paratransit	825,000	773,017	51,983	756,726
135	Subsidized Taxi Services	100,000	49,215	50,785	89,603
135	Reduced Fare Bus Passes	5,000	1,180	3,820	48,718
180	City Last Mile Transit Connector	12,933	-	12,933	137,771
350	Intelligent Transportation System - ITS - Phase IV	8,556	10,509	(1,953)	-
350	Intelligent Transportation System - ITS - Phase 4B	163,485	106,453	57,032	152,865
350	Intelligent Transportation System - ITS - Phase 5	26,760	18,971	7,789	29,885
620	Transportation Management/Grants Administration	350,000	226,762	123,238	-
710	Street Signs & Marking Rehabilitation	-	-	-	43,974
715	Street Geometry Improvement	-	-	-	9,092
715	N La Brea Ave Bus Stop Improvement Project	14,646	12,191	2,455	636,877
715	Centinela Avenue Improvement Project	45,437	12,521	32,916	105,701
715	Streets and Alleys Rehabilitation	-	-	-	2,340
715	Manchester Blvd Project	-	-	-	8,585
720	HSIP Improvements Program	14,410	14,441	(31)	-
Total expenditures		\$ 1,666,227	\$ 1,311,151	\$ 355,076	\$ 2,106,218

See independent auditor's report.

City of Inglewood
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

Date Acquired	Description	Balance July 1, 2020	Additions / Adjustments	Deletions / Adjustments	Balance June 30, 2021
2010	Intersection and Street Reconstruction	\$ 156,520	\$ -	\$ -	\$ 156,520
2010	La Brea - Manchester to Century	1,841,683	-	-	1,841,683
2010	Arbor Vitae Project East	42,768	-	-	42,768
2011	Crenshaw/Century Installation of Signals	14,411	-	-	14,411
2012	Annual Street Improvements	181,634	-	-	181,634
2013	Resurfacing of Local Streets	400,330	-	-	400,330
2014	La Brea Ave Improvement Project Phase II	366,463	-	-	366,463
2014	Pavement Management System	44,482	-	-	44,482
2015	Traffic Sign Replacement Project	12,803	-	-	12,803
2015	La Brea Ave Improvement Project Phase I	8,342	-	-	8,342
2015	Street Improvements at La Cienega	127,505	-	-	127,505
2015	La Brea - Intersection Realignment	183,119	-	-	183,119
2016	Century Blvd Corridor Design Project	2,027,974	-	-	2,027,974
2019	Florence Ave Regional Transp	1,259,049	-	-	1,259,049
2019	La Brea TLSP - PRO 1B	496,584	-	-	496,584
2019	Crenshaw Blvd and 84th Street HSIP	58,235	-	-	58,235
2019	La Tijera Elementary School Project	443,229	-	-	443,229
2019	Highway Improvement Project	69,237	-	-	69,237
2019	Centinela Avenue Improvement	131,110	12,521	-	143,631
2019	N La Brea Avenue Improvement	1,480,798	12,191	-	1,492,989
2019	Street Geometry Improvement Project	598,757	-	-	598,757
2019	Intelligent Transp System ITS Phase 4b	145,222	106,453	-	251,675
2019	Street Rehabilitation Project	2,210,694	-	-	2,210,694
2019	City Last Mile Transit Connector	2,714,156	-	-	2,714,156
2019	Stadium Project Planning and Improvement	122,382	-	-	122,382
2020	Intelligent Transp System ITS Phase V	25,935	-	-	25,935
2020	Street Signs and Marking Rehabilitation	8,619	-	-	8,619
2020	Manchester Blvd Project - SBCCOG	8,585	-	-	8,585
2021	HSIP Improvement Project	-	14,441	-	14,441
2021	ITS Phase IV	-	10,509	-	10,509
2021	ITS Phase V	-	18,971	-	18,971
Total		\$ 15,180,626	\$ 175,086	\$ -	\$ 15,355,712

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	3,016,917	\$ 3,190,553
Total assets	\$	3,016,917	\$ 3,190,553
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	456,185	\$ 185,800
Retention payable		145,076	86,427
Total liabilities		601,261	272,227
Fund balance			
Restricted		2,415,656	2,918,326
Total fund balance		2,415,656	2,918,326
Total liabilities and fund balance	\$	3,016,917	\$ 3,190,553

See notes to Funds financial statements.

City of Inglewood
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure R	\$ 1,410,693	\$ 1,369,021
Investment income	20,371	59,582
Total revenues	1,431,064	1,428,603
 Expenditures		
Various projects	1,933,734	2,488,026
Total expenditures	1,933,734	2,488,026
 Deficiency of revenues over expenditures	 (502,670)	 (1,059,423)
 Fund balance at beginning of year	 2,918,326	 3,977,749
 Fund balance at end of year	 \$ 2,415,656	 \$ 2,918,326

See notes to Funds financial statements.

City of Inglewood
Measure R Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
302	Traffic Signal Improvement Program	\$ 20,595	\$ 25,056	\$ (4,461)	-
302	Annual Traffic Signal Improvement Program	31,684	30,805	879	183,159
380	ITS Master Plan	34,000	7,543	26,457	-
390	ITS GAP Closure Improvements Project/Stadium Mitigation	42,332	42,332	-	-
705	Street Lighting and Roadway Safety Improvements	87,289	66,391	20,898	23,287
705	N La Brea Avenue Improvements	-	-	-	429,132
705	South Prairie Improvement Project	28,917	22,851	6,066	69,941
705	Streets Rehabilitation Project	-	-	-	3,000
705	Sidewalk and Ramp Rehabilitation Project	112,395	5,952	106,443	3,600
705	Van Ness Ave Improvement Project	-	-	-	480,947
710	Century Blvd Mobility Improvement Project	1,686,415	1,307,012	379,403	1,294,960
715	Streets and Alley Rehabilitation	286,905	314,826	(27,921)	-
720	HSIP Improvements Program	4,650	6,138	(1,488)	-
760	Street Signs and Markings Rehabilitation	40,000	39,828	172	-
765	Pavement Management Program Upgrades	65,000	65,000	-	-
	Total expenditures	\$ 2,440,182	\$ 1,933,734	\$ 506,448	\$ 2,488,026

See independent auditor's report.

**City of Inglewood
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021**

Date Acquired	Description	Balance July 1, 2020	Additions / Adjustments	Deletions / Adjustments	Balance June 30, 2021
2018	Traffic Signal Improvement Program	\$ 908,902	\$ 25,056	\$ -	\$ 933,958
2019	Century Blvd Mobility Improvement Project	1,294,478	1,307,012	-	2,601,490
2019	ITS Phase IV	753	-	-	753
2019	Van Ness Avenue Improvement	480,947	-	-	480,947
2019	Imperial Highway Improvement Project	3,480	-	-	3,480
2019	N La Brea Ave Improvement	1,024,484	-	-	1,024,484
2019	Annual Traffic Signal Improvement	639,556	30,805	-	670,361
2019	Street Lighting and Roadway Safety Improvement	529,674	66,391	-	596,065
2019	ITS Master Plan	203,230	7,543	-	210,773
2019	South Prairie Improvement Project	345,291	22,851	-	368,142
2019	Resurfacing of Local Streets	2,451,122	-	-	2,451,122
2019	Sidewalk and Ramp Rehabilitation	550,234	5,952	-	556,186
2019	Streets Rehabilitation Project	740,295	-	-	740,295
2021	Pavement Management Program	-	65,000	-	65,000
2021	ITS Gap Closure Improvement Project	-	42,332	-	42,332
2021	Streets and Alley Rehabilitation Project	-	314,826	-	314,826
2021	HSIP Improvement Project	-	6,138	-	6,138
2021	Streets and Markings Rehabilitation Project	-	39,828	-	39,828
Total		\$ 9,172,446	\$ 1,933,734	\$ -	\$ 11,106,180

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments		\$ <u>4,267,663</u>	\$ <u>4,142,299</u>
Total assets		\$ <u>4,267,663</u>	\$ <u>4,142,299</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ 16,126	\$ 895,890
Retention payable		-	62,500
Total liabilities		<u>16,126</u>	<u>958,390</u>
Fund balance			
Restricted		<u>4,251,537</u>	<u>3,183,909</u>
Total fund balance		<u>4,251,537</u>	<u>3,183,909</u>
Total liabilities and fund balance		\$ <u>4,267,663</u>	\$ <u>4,142,299</u>

See notes to Funds financial statements.

City of Inglewood
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure M	\$ 1,598,366	\$ 1,538,816
Investment income	26,873	59,772
Total revenues	1,625,239	1,598,588
Expenditures		
Various projects	557,611	1,302,964
Total expenditures	557,611	1,302,964
Excess of revenues over expenditures	1,067,628	295,624
Fund balance at beginning of year	3,183,909	2,888,285
Fund balance at end of year	\$ 4,251,537	\$ 3,183,909

See notes to Funds financial statements.

City of Inglewood
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
710	South Prairie Improvement Project	\$ 451,359	\$ 388,151	\$ 63,208	\$ 1,302,964
715	Centinela Avenue Improvement Project	179,693	169,460	10,233	-
	Total expenditures	\$ 631,052	\$ 557,611	\$ 73,441	\$ 1,302,964

See independent auditor's report.

City of Inglewood
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
2020	South Prairie Improvement Project	\$ 1,302,964	\$ 388,151	\$ -	\$ 1,691,115
2021	Centinela Avenue Improvement	-	169,460	-	169,460
	Total	<u>\$ 1,302,964</u>	<u>\$ 557,611</u>	<u>\$ -</u>	<u>\$ 1,860,575</u>

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash		\$ -	\$ -
	Total assets	\$ -	\$ -
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ -	\$ -
	Total liabilities	-	-
Fund balance			
Restricted		-	-
	Total fund balance	-	-
	Total liabilities and fund balance	\$ -	\$ -

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Intergovernmental Allocations:		
Article 3	\$ -	\$ -
Total revenues	-	-
Expenditures		
Sidewalk Replacement Project	-	-
Total expenditures	-	-
Excess of revenues over expenditures	-	-
Fund balance (deficit) at beginning of year	-	-
Fund balance at end of year	\$ -	\$ -

See notes to Funds financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

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

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

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

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

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

Basis of Accounting and Measurement Focus

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

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

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by Metro 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 Annual Comprehensive Financial Report (ACFR) 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, 2021 and 2020:

- 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 Metro.

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

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, 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.

NOTE 3 PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

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

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

NOTE 4 MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

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

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

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

NOTE 6 TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 CASH AND INVESTMENTS

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

Please refer to the ACFR for a full description of risks relating to cash and investments.

NOTE 8 DUE FROM OTHER AGENCIES – PCLRF

Due from other agencies as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
Hawthorne Paratransit	\$ 59,403	\$ 87,924
Lennox Paratransit	27,065	28,699
	\$ 86,468	\$ 116,623

NOTE 9 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANTS

The City received Proposition A Discretionary Incentive Program grant amounting to \$244,985 and \$177,270 for the years ended June 30, 2021 and 2020, respectively, which represents additional funds received from Metro for participating in the sub-regional paratransit services program. The City used this grant to operate a demand-response paratransit Dial-A-Ride program available to eligible disabled residents.

The Proposition A Discretionary Incentive Grants were recorded in PCLRF.

NOTE 10 PROJECT GENERATED REVENUES

Project generated revenues under PCLRF for the years ended June 30, 2021 and 2020 consisted of the following:

		<u>2021</u>		<u>2020</u>
Hawthorne Paratransit	\$	76,432	\$	141,477
Lennox Paratransit		36,394		44,349
Subsidized Taxi Vouchers		10,105		22,895
Reduced Fare Bus Passes		590		23,486
Fare Donation		1,917		3,658
	\$	<u>125,438</u>	\$	<u>235,865</u>

NOTE 11 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 Metro. As of June 30, 2021 and 2020, the City has funds on reserve as follows:

		<u>2021</u>		<u>2020</u>
FY 2018/19 allocation	\$	20,968	\$	20,968
FY 2019/20 allocation		82,013		82,013
FY 2020/21 allocation		62,723		-
Total reserve	\$	<u>165,704</u>	\$	<u>102,981</u>

For FY 2020/21, any TDA Article 3 funds left on reserve for FY 2016/17 or prior, are subject to lapse if not claimed by the City by June 30, 2021. There were no funds that lapsed in FY 2020/21.

NOTE 12 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.

NOTE 9 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 17, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**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 Inglewood, 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 Inglewood, 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 December 17, 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

**Glendale, California
December 17, 2021**

COMPLIANCE SECTION

Independent Auditor's Report on Compliance

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

Report on Compliance

We have audited the City of Inglewood, California's (the City) compliance 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, 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 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 Inglewood, California 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 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 & Company LLP".

Glendale, California
December 17, 2021

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
1. Uses the State Controller's Uniform System of Accounts and Records or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X				
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				
3. Funds were expended with Metro's approval and were not substituted for property tax.	X				
4. Timely use of funds.	X				
5. Administrative expenses are within the 20% cap.	X				
6. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.			X		
7. Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X				
8. Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X				
9. Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X				
10. Local Return Account is credited for reimbursable expenditures.	X				
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		
12. Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.	X				

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
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		
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X				
17. All on-going and carryover projects were reported on Form B or electronic equivalent.	X				
18. Cash or cash equivalents are maintained.	X				
19. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. Separate Measure R Local Return Account was established.	X				
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
4. Funds were expended with Metro's approval.	X				
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X				
6. Timely use of funds.	X				
7. Administrative expenses are within the 20% cap.	X				
8. Expenditure Plan (Form One or electronic equivalent) was submitted timely.	X				
9. Annual Expenditure Report (Form Two or electronic equivalent) was submitted timely.	X				
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		
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		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X		
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Inglewood
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
D. Transportation Development Act Article 3 Fund					
1. Timely use of funds.	X				
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.			X		There were no TDAA3F expenditures in FY 2020/21.

See independent auditor's report on compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**City of Inglewood
Schedule of Findings and Questioned Costs
Year ended June 30, 2021**

There were no findings noted.

EXIT CONFERENCE

An exit conference was held on December 15, 2021 with the City of Inglewood representative. Those in attendance were:

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

City of Inglewood representatives:
Aleathia Scott – Senior Accountant

Matters discussed:

Results of the audit disclosed no significant compliance and financial statement issues.

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

Sharon Koike – Assistant Finance Director
Luisana Gomez – Accounting Manager
Aleathia Scott – Senior Accountant



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