



MetroTM

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

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

**As of and for the Years Ended June 30, 2021 and 2020
with Independent Auditor's Report**

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor’s Report	1
Proposition A Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	4
Statements of Revenues, Expenditures and Changes in Fund Balance	5
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	6
Schedule of Capital Assets	7
Proposition C Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	8
Statements of Revenues, Expenditures and Changes in Fund Balance	9
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	10
Schedule of Capital Assets	11
Measure R Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	12
Statements of Revenues, Expenditures and Changes in Fund Balance	13
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	14
Schedule of Capital Assets	15
Measure M Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	16
Statements of Revenues, Expenditures and Changes in Fund Balance	17
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	18
Schedule of Capital Assets	19
Transportation Development Act Article 3 Fund:	
Basic Financial Statements:	
Balance Sheets	20
Statements of Revenues, Expenditures and Changes in Fund Balance	21
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	22
Notes to Funds Financial Statements	23
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 <i>Government Auditing Standards</i>	30

	<u>PAGE</u>
COMPLIANCE SECTION	
Independent Auditor's Report on Compliance	32
Compliance Matrix	34
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	41
EXIT CONFERENCE	42

FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Bell, California (the City) which comprise the Funds' balance sheets as of June 30, 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 Bell, 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 Bell, 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 November 11, 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
November 11, 2021**

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	861,039	\$ 623,561
Accounts receivable		1,324	2,429
Interest receivable		434	1,644
Due from other funds		123,929	42,521
Total assets	\$	<u>986,726</u>	<u>\$ 670,155</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	111,117	\$ 56,895
Accrued payroll and employee benefits		4,729	2,749
Total liabilities		<u>115,846</u>	<u>59,644</u>
Fund balance			
Restricted		870,880	610,511
Total fund balance		<u>870,880</u>	<u>610,511</u>
Total liabilities and fund balance	\$	<u>986,726</u>	<u>\$ 670,155</u>

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition A	\$ 735,511	\$ 704,887
Interest income	8,339	18,461
Bus pass sales	408	18,486
Proposition A Discretionary Incentive Program Grant (Note 8)	32,693	-
Total revenues	776,951	741,834
Expenditures		
Various projects funded by Proposition C	516,582	652,608
Various projects funded by General Fund	-	9,350
Total expenditures	516,582	661,958
Excess of revenues over expenditures	260,369	79,876
Other Financing Sources		
Transfer from General Fund	-	9,350
Total Other Financing Sources	-	9,350
Change in fund balance	260,369	89,226
Fund balance at beginning of year	610,511	521,285
Fund balance at end of year	\$ 870,880	\$ 610,511

See notes to Funds financial statements.

City of Bell
 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		Variance	2020 Actual
		Metro Budget	Actual	Positive (Negative)	
107	Dial-A-Ride	\$ 440,000	\$ 301,384	\$ 138,616	\$ 328,163
135	Bus Pass Subsidy Program	10,000	1,340	8,660	50,875
155	Recreational Transit	5,000	-	5,000	13,228
179	Consultant	-	-	-	24,500
205	Bus Shelter Maintenance	95,000	97,065	(2,065)	105,320
205	Bus Shelter Replacement	505,000	13,590	491,410	-
610	Administration	198,000	103,203	94,797	130,522
Total expenditures		\$ 1,253,000	\$ 516,582	\$ 736,418	\$ 652,608

See independent auditor's report.

City of Bell
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</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
3/31/2004	Imaginistics Copier	\$ 10,534	\$ -	\$ -	\$ 10,534
6/29/2010	1 2010 Braun Entervan Bus	30,000	-	-	30,000
6/29/2010	2 2010 Goshen Buses	60,000	-	-	60,000
12/01/2014	Class E-27 Ford-550 El Dorado	87,103	-	-	87,103
12/01/2014	Decals for Ford-550 El Dorado	8,041	-	-	8,041
	Total	\$ 195,678	\$ -	\$ -	\$ 195,678

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	2,071,381	\$ 2,300,301
Interest receivable		1,032	6,113
Total assets	\$	2,072,413	\$ 2,306,414
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	36,995	\$ 67,322
Retention payable		18,553	13,500
Accrued payroll and employee benefits		1,588	633
Due to PALRF		14,872	-
Total liabilities		72,008	81,455
Fund balance			
Restricted - Capital Reserve Project Code 705 (Note 9)		262,588	426,991
Restricted - Capital Reserve Project Code 381 (Note 9)		100,442	99,562
Restricted - Capital Reserve Project Code 705 (Note 9)		137,477	136,272
Restricted - Other		1,499,898	1,562,134
Total fund balance		2,000,405	2,224,959
Total liabilities and fund balance	\$	2,072,413	\$ 2,306,414

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition C	\$ 610,080	\$ 584,706
Interest income	17,426	69,066
Total revenues	627,506	653,772
Expenditures		
Various projects	852,060	690,113
Total expenditures	852,060	690,113
Deficiency of revenues over expenditures	(224,554)	(36,341)
Fund balance at beginning of year	2,224,959	2,261,300
Fund balance at end of year	\$ 2,000,405	\$ 2,224,959

See notes to Funds financial statements.

City of Bell
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			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
170	Maintenance and Operations	\$ 162,100	\$ 115,785	\$ 46,315	\$ 33,131
302	Traffic Signal Equipment	145,000	-	145,000	-
381	Traffic Signal Equipment Upgrades	10,000	-	10,000	6,900
620	Administration Prop C	63,799	71,189	(7,390)	28,801
705	Florence Avenue and Slauson Avenue	128,000	-	128,000	-
705	Florence Avenue Pavement	250,000	-	250,000	-
705	Atlantic Ave Street Improvements	-	-	-	2,056
705	Gage Ave Bridge Replacement	-	-	-	28,157
705	Pavement Marking and Striping Project	168,177	168,177	-	57,823
705	Florence and Walker Intersection	-	-	-	110,000
705	Street Intersection, Striping and Marking	10,000	-	10,000	-
715	Eastern Ave Improvement	40,000	17,274	22,726	315,975
760	LED Illuminated Street Sign Project	500,000	3,679	496,321	-
781	Florence Ave and Slauson Project	10,000	-	10,000	-
805	Florence Ave Pedestrian Project	941,700	475,956	465,744	57,920
806	Pedestrian Countdown Signal Head Replacement and Curb Ramp Project	-	-	-	47,230
806	Sidewalk Shaving Project	-	-	-	2,120
Total expenditures		\$ 2,428,776	\$ 852,060	\$ 1,576,716	\$ 690,113

See independent auditor's report.

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

Date Acquired	Description	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
6/30/2002	Eastern Avenue Overlay	\$ 229,629	\$ -	\$ -	\$ 229,629
6/30/2002	Florence/Otis	37,022	-	-	37,022
6/30/2002	Eastern/ Bandini Cabinet	50,442	-	-	50,442
6/30/2002	Florence/Otis Signal	17,805	-	-	17,805
6/30/2002	Florence/Walker Signal	36,057	-	-	36,057
6/30/2002	Gage/Orchard Signal	17,550	-	-	17,550
6/30/2002	LED Signal - Citywide	93,198	-	-	93,198
6/30/2003	Florence Atlantic AC Overlay	225,222	-	-	225,222
6/30/2003	Atlantic/Bell/Brompton Signals	52,280	-	-	52,280
6/30/2004	Atlantic at Gage Signal Bus Shelter	81,748	-	-	81,748
6/30/2004	Bus Shelter - Installation and Rehabilitation	47,444	-	-	47,444
6/30/2004	Florence/Walker Signal	173,532	-	-	173,532
6/30/2005	Flora at Florence Signal	23,339	-	-	23,339
6/30/2005	Gage at Orchard Signal	20,205	-	-	20,205
6/30/2006	Florence at Vinevale Signal	91,558	-	-	91,558
6/30/2006	Florence at Wilcox Signal	153,687	-	-	153,687
6/30/2008	Atlantic Avenue at Bell Brompton Signal	23,134	-	-	23,134
6/30/2008	Atlantic Avenue at Bell Plaza Signal	38,238	-	-	38,238
6/30/2008	Atlantic Avenue at Shopping Center Signal	50,720	-	-	50,720
6/30/2008	Wilcox at Acacia Signal	135,771	-	-	135,771
6/30/2009	Slauson at 710 Freeway	20,934	-	-	20,934
6/30/2009	Florence at Otis Traffic Signal	98,205	-	-	98,205
6/30/2014	Florence Avenue-Atlantic-Wilcox	369,787	-	-	369,787
5/21/2015	Pavement Rehabilitation Project (2014/15)	405,176	-	-	405,176
6/17/2016	Florence Ave Overlay West of Atlantic	111,552	-	-	111,552
6/30/2016	Florence Ave Overlay West of Atlantic	488	-	-	488
6/30/2016	Florence Ave Overlay West of Atlantic	3,018	-	-	3,018
11/03/2015	Gage/Walker-Concrete Pavement	1,050	-	-	1,050
12/02/2015	Gage/Walker-Concrete Pavement	459	-	-	459
12/10/2015	Gage/Walker-Concrete Pavement	3,530	-	-	3,530
1/07/2016	Gage/Walker-Concrete Pavement	7,040	-	-	7,040
1/27/2016	Gage/Walker-Concrete Pavement	5,018	-	-	5,018
3/17/2016	Gage/Walker-Concrete Pavement	451	-	-	451
4/04/2016	Gage/Walker-Concrete Pavement	4,088	-	-	4,088
4/06/2016	Gage/Walker-Concrete Pavement	7,934	-	-	7,934
4/08/2016	Gage/Walker-Concrete Pavement	22,425	-	-	22,425
5/05/2016	Gage/Walker-Concrete Pavement	474	-	-	474
5/06/2016	Gage/Walker-Concrete Pavement	3,474	-	-	3,474
6/03/2016	Gage/Walker-Concrete Pavement	5,300	-	-	5,300
6/30/2016	Gage/Walker-Concrete Pavement	10,920	-	-	10,920
6/30/2016	Pavement Rehabilitation - Phase IV	253,886	-	-	253,886
6/30/2017	Pavement Rehabilitation - Phase IV	96,019	-	-	96,019
Total		\$ 3,029,809	\$ -	\$ -	\$ 3,029,809

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	659,859	\$ 644,836
Interest receivable		335	1,456
Prepaid expense		4,400	4,400
Total assets	\$	664,594	\$ 650,692
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	20,361	\$ 50,643
Accrued payroll and employee benefits		1,033	442
Due to PALRF		42,136	-
Total liabilities		63,530	51,085
Fund balance			
Restricted		601,064	599,607
Total fund balance		601,064	599,607
Total liabilities and fund balance	\$	664,594	\$ 650,692

See notes to Funds financial statements.

City of Bell
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure R	\$ 458,194	\$ 437,902
Interest income	6,825	11,919
Total revenues	465,019	449,821
 Expenditures		
Various projects	463,562	404,544
Total expenditures	463,562	404,544
 Excess of revenues over expenditures	1,457	45,277
 Fund balance at beginning of year	599,607	554,330
 Fund balance at end of year	\$ 601,064	\$ 599,607

See notes to Funds financial statements.

City of Bell
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 Equipment	\$ 300,000	\$ -	\$ 300,000	\$ -
630	Fund Administration (20% cap)	56,689	91,640	(34,951)	-
705	Pavement Marking/Striping	27,000	10,000	17,000	-
705	Street Name Signs	-	-	-	24,268
705	Street Rehabilitation Project	-	-	-	83,770
705	Signal Housing Painting	-	-	-	33,575
705	Sewer Inspection	65,000	-	65,000	-
715	Fishburn Ave Improvement	-	-	-	94,729
715	Street Repair and Maintenance	154,200	128,303	25,897	21,103
805	Sidewalk Assessment/Concrete Shaving	-	-	-	112,944
805	Sidewalk Repairs	300,000	192,532	107,468	15,605
805	Clarkson Sidewalk Improvements	46,450	41,087	5,363	18,550
	Total expenditures	\$ 949,339	\$ 463,562	\$ 485,777	\$ 404,544

See independent auditor's report.

City of Bell
Measure R 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>
5/21/2015	Pavement Rehabilitation Project	\$ 563,167	\$ -	\$ -	563,167
8/30/2015	Pavement Rehabilitation Project	500,000	-	-	500,000
Total		\$ 1,063,167	\$ -	\$ -	1,063,167

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	818,725	\$ 788,041
Interest receivable		487	1,944
Total assets	\$	<u>819,212</u>	<u>\$ 789,985</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	49,271	\$ 1,162
Accrued payroll and employee benefits		1,471	512
Due to PALRF		66,921	-
Total liabilities		<u>117,663</u>	<u>1,674</u>
Fund balance			
Restricted		<u>701,549</u>	<u>788,311</u>
Total fund balance		<u>701,549</u>	<u>788,311</u>
Total liabilities and fund balance	\$	<u>819,212</u>	<u>\$ 789,985</u>

See notes to Funds financial statements.

City of Bell
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

		Years ended June 30	
		2021	2020
Revenues			
Measure M	\$	519,151	\$ 492,553
Interest income		10,885	20,598
Total revenues		530,036	513,151
Expenditures			
Various projects		616,798	449,892
Total expenditures		616,798	449,892
Excess (deficiency) of revenues over expenditures		(86,762)	63,259
Fund balance at beginning of year		788,311	725,052
Fund balance at end of year	\$	701,549	\$ 788,311

See notes to Funds financial statements.

City of Bell
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)	
302	Traffic Signal Equipment	\$ 475,000	\$ -	\$ 475,000	\$ -
640	Fund Administration	64,402	120,742	(56,340)	12,090
705	Fishburn Ave Improvement	-	-	-	115,244
705	Traffic Signs	-	-	-	129,705
705	Street Name Signs	-	-	-	85,036
705	Sewer Improvements	135,000	23,495	111,505	-
705	Pavement Markings/Striping	448,000	458,647	(10,647)	-
705	Street Curb Painting	11,000	10,811	189	1,028
720	Local Road Safety Plan	8,000	3,103	4,897	-
805	Sidewalk Assessment and Repair	-	-	-	106,789
Total expenditures		\$ 1,141,402	\$ 616,798	\$ 524,604	\$ 449,892

See independent auditor's report.

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

Date Acquired	Description	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
N/A	None	\$ -	\$ -	\$ -	\$ -
Total		\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and cash equivalents	\$	-	\$ 13,117
Due from Metro		61,860	19,793
Interest receivable		-	35
Total assets	\$	61,860	\$ 32,945
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	260	\$ 208
Due to other funds		29,047	-
Total liabilities		29,307	208
Fund balance			
Restricted		32,553	32,737
Total fund balance		32,553	32,737
Total liabilities and fund balance	\$	61,860	\$ 32,945

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Intergovernmental Allocations:		
Article 3	\$ 61,860	\$ 19,793
Interest income	76	658
Total revenues	61,936	20,451
Expenditures		
Various projects	62,120	20,000
Total expenditures	62,120	20,000
Excess (deficiency) of revenues over expenditures	(184)	451
Fund balance at beginning of year	32,737	32,286
Fund balance at end of year	\$ 32,553	\$ 32,737

See notes to Funds financial statements.

City of Bell
 Transportation Development Act Article 3 Fund
 Pursuant to Public Utilities Code Section 99234
 Supplementary Information
 Schedule of Transportation Development Act Allocation for Specific Projects
 Year ended June 30, 2021

Project Description	Program Year	Totals to Date			Project Status
		Allocations	Expenditures	Unexpended Allocations	
Local Allocations:					
Remove Damaged Concrete Sidewalks	2021	\$ 61,860	\$ 62,120	\$ (260)	Completed
	Totals	<u>\$ 61,860</u>	<u>\$ 62,120</u>	<u>(260)</u>	
Interest income				76	
Fund balance at beginning of year				<u>32,737</u>	
Fund balance at end of year				<u>\$ 32,553</u> *	

* The remaining fund balance of \$32,553 was encumbered as of June 30, 2021.

See independent auditor's report.

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 are 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 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANTS

The City received Proposition A Discretionary Incentive Grant amounting to \$32,693 and \$0 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 Proposition A Discretionary Incentive Program Grants were recorded in PALRF.

NOTE 9 CAPITAL RESERVE AGREEMENTS – PCLRF

Street Intersection, Striping and Landscaped Median Improvements along Atlantic Avenue ((Project Code 705 (formerly 380-03))

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

The account is funded with the Proposition C Local Return funds allocated to the City. All interest is accrued in the Account for use exclusively for the said project. If the project is not completed by June 30, 2021, any unexpended funds shall lapse and be returned to Metro. In June 2021, Metro Board of Directors approved the City's request to extend this capital reserve agreement to June 30, 2026.

NOTE 9 CAPITAL RESERVE AGREEMENTS – PCLRF (CONTINUED)

Traffic Signal Equipment Upgrades ((Project Code 381 (formerly 380-04))

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

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

Florence Avenue and Slauson Avenue Bridge Maintenance ((Project code 705 (formerly 380-05))

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

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

Following are the transactions and the balances reported for the reserve accounts as of and for the years ended June 30, 2021 and 2020:

	Project Code		
	705	381	705
	<u>(380-03)</u>	<u>(380-04)</u>	<u>(380-05)</u>
Capital reserve, June 30, 2019	\$ 415,196	\$ 103,513	\$ 132,497
Interest income earned	11,795	2,949	3,775
Expenditures during the year	<u>-</u>	<u>(6,900)</u>	<u>-</u>
Capital reserve, June 30, 2020	426,991	99,562	136,272
Interest income earned	3,774	880	1,205
Expenditures during the year	<u>(168,177)</u>	<u>-</u>	<u>-</u>
Capital reserve, June 30, 2021	<u>\$ 262,588</u>	<u>\$ 100,442</u>	<u>\$ 137,477</u>

NOTE 10 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

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

		2021		2020
FY 2017/18 allocation	\$	-	\$	10,335
FY 2018/19 allocation		15,231		9,458
FY 2019/20 allocation		26,243		-
FY 2020/21 allocation		20,386		-
	\$	61,860	\$	19,793

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:

		2021		2020
FY 2018/19 allocation	\$	-	\$	15,231
FY 2019/20 allocation		-		26,243
Total reserve	\$	-	\$	41,474

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 13 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 November 11, 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 Bell, California and the
Los Angeles County Metropolitan Transportation Authority**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Bell, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 11, 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
November 11, 2021**

COMPLIANCE SECTION

Independent Auditor's Report on Compliance

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

Report on Compliance

We have audited the City of Bell, 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 Bell, 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 or significant deficiencies may exist that have not been identified.

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

A handwritten signature in black ink that reads "Vasquez & Company LLP".

**Glendale, California
November 11, 2021**

**City of Bell
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		

**City of Bell
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				

**City of Bell
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 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				

**City of Bell
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				

**City of Bell
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 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				

**City of Bell
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				

**City of Bell
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				

See independent auditor's report on compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

There were no findings noted.

EXIT CONFERENCE

An exit conference was held on November 5, 2021 with the City of Bell representative. Those in attendance were:

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

City of Bell representative:
 Elisa Gratil – Finance Manager

Matters discussed:

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

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

Elisa Gratil – Finance Manager

Vasquez & Company LLP
655 North Central Avenue, Suite 1550
Glendale, CA 91203

RE: CITY OF BELL, CALIFORNIA ANNUAL FINANCIAL REPORT 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 FOR THE YEARS ENDED JUNE 30, 2021 AND 2020.

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

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date



www.vasquezcpa.com

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