

***CITY OF PARAMOUNT  
ANNUAL FINANCIAL REPORT OF THE  
PROPOSITION A LOCAL RETURN FUND  
PROPOSITION C LOCAL RETURN FUND  
MEASURE R LOCAL RETURN FUND  
MEASURE M LOCAL RETURN FUND  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3 FUND  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021 AND 2020***



**Metro<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

***CITY OF PARAMOUNT***  
**TABLE OF CONTENTS**

<b>FINANCIAL SECTION</b>	<b>PAGE</b>
Independent Auditor's Report	1
Proposition A Local Return Fund:	
Financial Statements:	
Balance Sheets	3
Statements of Revenues, Expenditures and Changes in Fund Balance	4
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	5
Schedule of Capital Assets	6
Proposition C Local Return Fund:	
Financial Statements:	
Balance Sheets	7
Statements of Revenues, Expenditures and Changes in Fund Balance	8
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	9
Schedule of Capital Assets	10
Measure R Local Return Fund:	
Financial Statements:	
Balance Sheets	11
Statements of Revenues, Expenditures and Changes in Fund Balance	12
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	13
Schedule of Capital Assets	14
Measure M Local Return Fund:	
Financial Statements:	
Balance Sheets	15
Statements of Revenues, Expenditures and Changes in Fund Balance	16
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	17
Schedule of Capital Assets	18
Transportation Development Act Article 3 Fund:	
Financial Statements:	
Balance Sheets	19
Statements of Revenues, Expenditures and Changes in Fund Balance	20
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	21
Notes to Financial Statements	22
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>	27

***CITY OF PARAMOUNT***  
**TABLE OF CONTENTS**  
(Continued)

**COMPLIANCE SECTION**

Independent Auditor's Report on Compliance	29
Compliance Matrix	31
Schedule of Findings and Recommendations	38

<b>EXIT CONFERENCE</b>	39
------------------------	----

---

***FINANCIAL SECTION***

---



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320  
LOS ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

## Independent Auditor's Report

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

### Report on the Financial Statements

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

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F of the City of Paramount, California, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F of the City and do not purport to, and do not, present fairly the financial position of the City of Paramount, California, as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on each of the Funds' financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Funds' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Funds' financial statements or to the Funds' financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to each of the Funds' financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have issued our report dated November 4, 2021, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

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

Los Angeles, California  
November 4, 2021

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

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,435,760	\$ 1,147,071
Interest receivable	1,034	3,269
Total assets	\$ 1,436,794	\$ 1,150,340
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 122,866	\$ 176,100
Total liabilities	122,866	176,100
 <b>Fund Balance</b>		
Restricted	1,313,928	974,240
Total fund balance	1,313,928	974,240
Total liabilities and fund balance	\$ 1,436,794	\$ 1,150,340

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

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

	2021	2020
<b>REVENUES</b>		
Proposition A	\$ 1,116,606	\$ 1,085,752
Interest income	5,748	18,264
Project generated revenue (Note 8)	1,153	3,647
Total revenues	1,123,507	1,107,663
 <b>EXPENDITURES</b>		
Various projects	783,819	899,859
Total expenditures	783,819	899,859
 Excess of revenues over expenditures	339,688	207,804
 Fund balances at beginning of year	974,240	766,436
 Fund balances at end of year	\$ 1,313,928	\$ 974,240

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



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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
105	Long Beach Transit Transportation Services	\$ 510,000	\$ 424,765	\$ 85,235	\$ 474,022
135	Subsidized Taxi Services Plus Taxi Meal Delivery Services and Vaccine Transport	45,000	32,345	12,655	78,145
150	Transit Security - Bus Stops and MTA Railroad ROW Patrol	110,000	97,192	12,808	98,936
155	Recreation Transit	-	-	-	4,400
170	Bus Shelter	300,000	-	300,000	-
170	Bus Stop Trash Cans	30,000	22,475	7,525	40,009
170	Bus Stop Maintenance	25,000	23,508	1,492	23,418
180	Eco-Rapid Transit (previously Orange Line Feasibility Study (IV))	20,000	18,898	1,102	18,898
205	Bus Stop Design	41,000	34,000	7,000	12,055
610	Prop A Administration	150,000	130,636	19,364	149,976
	Total expenditures	\$ <u>1,231,000</u>	\$ <u>783,819</u>	\$ <u>447,181</u>	\$ <u>899,859</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
2011	2010 Starcraft Allstar 25' - Unit 242	\$ 34,311	\$ -	\$ -	\$ 34,311
	Total	\$ 34,311	\$ -	\$ -	\$ 34,311

See accompanying independent auditor's report.

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

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 569,006	\$ 844,708
Interest receivable	437	2,299
Total assets	\$ 569,443	\$ 847,007
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 87,132	\$ 24,594
Total liabilities	87,132	24,594
 <b>Fund Balance</b>		
Restricted	482,311	822,413
Total fund balance	482,311	822,413
Total liabilities and fund balance	\$ 569,443	\$ 847,007

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

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

	2021	2020
<b>REVENUES</b>		
Proposition C	\$ 926,185	\$ 900,634
Interest income	4,362	10,762
Interstate 710 South Early Action Projects Grant (Note 9)	1,655	-
Total revenues	932,202	911,396
<b>EXPENDITURES</b>		
Various projects	1,272,304	773,422
Total expenditures	1,272,304	773,422
Excess (deficiency) of revenues over expenditures	(340,102)	137,974
Fund balance at beginning of year	822,413	684,439
Fund balance at end of year	\$ 482,311	\$ 822,413

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

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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
301	Traffic Signal Designs	\$ 100,000	\$ 28,164	\$ 71,836	\$ -
350	Intelligent Transit System Study -91/605				
	Corridor Phase II	24,000	20,000	4,000	20,000
380	Transportation Program Engineering	25,000	884	24,116	-
620	Prop C Administration	125,000	107,002	17,998	124,298
705	Arterial Street Resurfacing (9030)	1,494,000	1,049,052	444,948	105,000
705	Vermont Street Improvement (9137)	149,000	-	149,000	-
710	Rosecrans Bridge Repair	80,000	42,202	37,798	3,245
780	Corridor Study (Phase V)	30,000	25,000	5,000	25,000
440-34	Arterial Street Resurfacing - 2019 (9930)	-	-	-	453,879
470-01	Pavement Management System Update	-	-	-	42,000
	Total expenditures	\$ <u>2,027,000</u>	\$ <u>1,272,304</u>	\$ <u>754,696</u>	\$ <u>773,422</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 929,287	\$ 1,042,831
Interest receivable	668	2,807
Total assets	\$ 929,955	\$ 1,045,638
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 208	\$ 247,411
Total liabilities	208	247,411
 <b>Fund Balance</b>		
Restricted	929,747	798,227
Total fund balance	929,747	798,227
Total liabilities and fund balance	\$ 929,955	\$ 1,045,638

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

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

	2021	2020
<b>REVENUES</b>		
Measure R	\$ 695,601	\$ 674,509
Interest income	4,104	13,687
Total revenues	699,705	688,196
 <b>EXPENDITURES</b>		
Various projects	568,185	475,330
Total expenditures	568,185	475,330
 Excess of revenues over expenditures	131,520	212,866
 Fund balance at beginning of year	798,227	585,361
 Fund balance at end of year	\$ 929,747	\$ 798,227

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



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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
630	Administration	\$ 200,000	\$ 74,973	\$ 125,027	\$ 75,213
705	Neighborhood Street Resurfacing - 2021	870,000	210,000	660,000	-
705	Neighborhood Street Resurfacing - 2020 (9031)	732,000	277,820	454,180	322,712
715	Local Road Safety Plan	10,000	5,392	4,608	-
1.05	Neighborhood Street Resurfacing - 2019 (9931)	-	-	-	77,405
	Total expenditures	\$ 1,812,000	\$ 568,185	\$ 1,243,815	\$ 475,330

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 879,072	\$ 704,701
Interest receivable	611	1,825
Total assets	\$ 879,683	\$ 706,526
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,830	\$ 4,172
Total liabilities	7,830	4,172
 <b>Fund Balance</b>		
Restricted	871,853	702,354
Total fund balance	871,853	702,354
Total liabilities and fund balance	\$ 879,683	\$ 706,526

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

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

	2021	2020
<b>REVENUES</b>		
Measure M	\$ 788,142	\$ 758,685
Interest income	3,753	5,502
Total revenues	791,895	764,187
 <b>EXPENDITURES</b>		
Various projects	622,396	417,866
Total expenditures	622,396	417,866
 Excess of revenues over expenditures	169,499	346,321
 Fund balance at beginning of year	702,354	356,033
 Fund balance at end of year	\$ 871,853	\$ 702,354

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

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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
640	Fund Administration	\$ 200,000	\$ 64,834	\$ 135,166	\$ 38,217
705	Neighborhood Street Resurfacing - 2021	690,000	-	690,000	-
705	Neighborhood Street Resurfacing - 2020 (9031)	480,000	400,025	79,975	-
715	West Santa Ana Bikeway Phase 2 (9932)	305,000	157,537	147,463	-
840	West Santa Ana Bikeway Phase 4	234,000	-	234,000	-
1.05	Street resurfacing on Paramount Blvd. from Rosecrans Ave. to the 105 Freeway. (9930)	-	-	-	122,788
1.05	Street resurfacing in neighborhood north of Somerset, east of Orange, Grant and Golden. (9931)	-	-	-	247,953
1.15	Extension of the bike path from Somerset to Rosecrans per ATP grant application. (9932)	-	-	-	8,908
				-	
	Total expenditures	\$ <u>1,909,000</u>	\$ <u>622,396</u>	\$ <u>1,286,604</u>	\$ <u>417,866</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**CITY OF PARAMOUNT**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Due from Metro	\$ 2,581	\$ 3,367
Total assets	\$ 2,581	\$ 3,367
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Due to other funds	\$ 2,581	\$ 3,367
Total liabilities	2,581	3,367
 <b>Fund Balance</b>		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 2,581	\$ 3,367

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

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

	2021	2020
<b>REVENUES</b>		
TDA 3	\$ 30,939	\$ 40,415
Total revenues	30,939	40,415
 <b>EXPENDITURES</b>		
Annual Sidewalk Project	30,939	40,415
Total expenditures	30,939	40,415
 Excess of revenues over expenditures	-	-
 Fund balance at beginning of year	-	-
 Fund balance at end of year	\$ -	\$ -

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



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

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
Annual Sidewalk Repair	2020-2021	\$ 30,939	\$ 30,939	\$ -	Completed
Total		<u>\$ 30,939</u>	<u>\$ 30,939</u>		
Fund balance at beginning of year				<u>-</u>	
Fund balance at end of year				<u>\$ -</u>	

See accompanying independent auditor's report.

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

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

*Fund Accounting*

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

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

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

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

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

*Basis of Accounting and Measurement Focus*

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

Special Revenue funds are reported on the 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. The statement of revenues, expenditures and changes in fund balance 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 presented in accordance with accounting principles generally accepted in the United States of America.

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

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

*Fair Value Measurement*

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2016, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investment at fair value and recognizes unrealized gain (loss) on investments.

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

*Fund Balance Reporting*

GASB Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes the fund balance classifications that comprise a hierarchy based primarily on extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds.

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

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

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

**NOTE 2 – ANNUAL FINANCIAL STATEMENTS**

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines and Transportation Development Act Article 3 and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

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

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

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

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

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

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

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 6 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS**

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

**NOTE 7 – CASH AND INVESTMENTS**

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

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

**NOTE 8 – PROJECT GENERATED REVENUE**

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

<b>PALRF:</b>	2021	2020
Taxi vouchers	\$ 1,091	\$ 3,647
College transit	62	-
Total revenue generated	\$ 1,153	\$ 3,647

**NOTE 9 – INTERSTATE 710 SOUTH EARLY ACTION PROJECTS GRANT**

The Interstate 710 South Early Action Projects Grant amounting to \$1,655 for the fiscal year ended June 30, 2021, represents reimbursement funds received from Metro for review of the I-710 Corridor Project Draft Environmental Impact Report/Environmental Impact Statement. The revenue was recorded under PCLRF.

**NOTE 10 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION**

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

	2021	2020
FY 2019-20 allocation	\$ -	\$ 40,415
FY 2020-21 allocation	30,939	-
Total payment requested	\$ 30,939	\$ 40,415

**NOTE 11 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED**

In accordance with TDA Article 3 (SB821) Guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2021, and 2020, the City has no funds on reserve as follows:

	2021	2020
FY 2019-20 allocation	\$ -	\$ -
FY 2020-21 allocation	-	-
Available reserve balance	\$ -	\$ -

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

**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 statement.

**NOTE 13 – SUBSEQUENT EVENTS**

The City has evaluated subsequent events through November 4, 2021, the date the financial statements were available to be issued and concluded no other events have occurred that require disclosure or adjustments to the financial statements.



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS  
FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320  
LOS ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

**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 Paramount, California and the  
Los Angeles County Metropolitan Transit Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Paramount, 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 4, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Funds’ financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Funds’ financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Los Angeles, California  
November 4, 2021



---

---

*COMPLIANCE SECTION*

---

---



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS  
FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320 LOS  
ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

## Independent Auditor's Report On Compliance

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

### Report on Compliance

We have audited the compliance of the City of Paramount, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2021.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guidelines referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M Local Return Program, and Transportation Development Act Article 3 Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guidelines. However, our audit does not provide a legal determination of the City's compliance with the Guidelines.

### *Opinion on Each Local Return Program and Transportation Development Act Article 3*

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



## Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Los Angeles, California  
November 4, 2021

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>						
1.	Uses the State Controller's Uniform System of Accounts and Records or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X			None	
2.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account	X			None	
3.	Funds were expended with Metro's approval and were not substituted for property tax.	X			None	
4.	Timely use of funds.	X			None	
5.	Administrative expenses are within the 20% cap.	X			None	
6.	Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.	X			None	
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X			None	
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
10.	Local Return Account is credited for reimbursable expenditures.	X			None	
11.	Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	Prop A and Prop C funds were not given, loaned, or exchanged in FY 20/21.
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.			X	None	ITS Certification was not required for Prop A and Prop C funds in FY 20/21.

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>						
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.			X	None	No capital reserve fund established for Prop A and Prop C funds in FY 20/21.
14.	Recreational transit form was submitted on time.	X			None	
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 20/21.
16.	Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X			None	
17.	All on-going and carryover projects were reported on Form B or electronic equivalent.	X			None	
18.	Cash or cash equivalents are maintained.	X			None	
19.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form -One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form -Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X			None	
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	Measure R funds were not given, loaned or exchanged in FY 20/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established for Measure R Fund in FY 20/21.
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>						
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit funded by Measure R in FY 20/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 20/21.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X			None	
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	Measure M funds were not given, loaned or exchanged in FY 20/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established for Measure M Fund in FY 20/21.
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	



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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit funded by Measure M in FY 20/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 20/21.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>D. Transportation Development Act Article 3 Fund</b>						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	

***CITY OF PARAMOUNT***  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
June 30, 2021

No findings were noted.

---

*EXIT CONFERENCE*

---

**CITY OF PARAMOUNT**  
PROPOSITION A, PROPOSITION C, MEASURE R, MEASURE M LOCAL RETURN FUNDS AND  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
EXIT CONFERENCE  
June 30, 2021

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

***Simpson & Simpson Representative:***

Tian Bian, Senior Auditor

***City's Representative:***

Clyde Alexander, Assistant Finance Director  
Jaime De Guzman, Jr. Senior Accountant

***Matters Discussed:***

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

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

Clyde Alexander, Assistant Finance Director  
Jaime De Guzman, Jr. Senior Accountant

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

RE: CITY OF PARAMOUNT ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund for the years ended June 30, 2021 and 2020 for the City of Paramount and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

---

Name

---

Title

---

Date