



MetroTM

**City of Huntington Park
Annual Financial Report of its**

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

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

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FINANCIAL SECTION

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Huntington Park, California (the City) which comprise the Funds' balance sheets as of June 30, 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 Huntington Park, 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 Huntington Park, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

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

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

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

**Glendale, California
December 7, 2021**

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	535,425	\$ 466,311
Due from Metro Transit Services		-	12,816
Interest receivable		111	295
Total assets	\$	535,536	\$ 479,422
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	135,015	\$ 45,903
Accrued payroll		4,471	2,907
Total liabilities		139,486	48,810
Fund balance			
Restricted		396,050	430,612
Total fund balance		396,050	430,612
Total liabilities and fund balance	\$	535,536	\$ 479,422

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition A	\$ 1,194,129	\$ 1,154,033
Interest Income	842	4,273
Project generated revenues (Note 8)	19,085	66,438
Fuel reimbursement - Metro Transit Services	56,134	116,800
Total revenues	1,270,190	1,341,544
 Expenditures		
Various projects	1,304,752	1,267,277
Total expenditures	1,304,752	1,267,277
 Excess (deficiency) of revenues over expenditures	(34,562)	74,267
 Fund balance at beginning of year	430,612	356,345
 Fund balance at end of year	\$ 396,050	\$ 430,612

See notes to Funds financial statements.

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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
105	Fixed Route Public Transit Services	\$ 44,000	\$ 33,982	\$ 10,018	\$ 376,248
105	Fuel for Fixed Route and Dial-A-Ride	372,520	384,920	(12,400)	38,857
105	National Transit Database Report - Independent Auditor Statement of Financial Data	5,000	-	5,000	-
107	General Public Paratransit Dial-A-Ride	36,000	25,306	10,694	736,565
106	Shuttle Maintenance	796,910	789,590	7,320	15,582
135	User Side Subsidy (Elderly/Handicapped)	56,680	10,766	45,914	46,625
155	Special Event Transit	10,000	-	10,000	3,345
470	Orange Line Development Authority	18,910	-	18,910	-
610	Administration Prop A	65,958	60,188	5,770	50,055
Total expenditures		\$ 1,405,978	\$ 1,304,752	\$ 101,226	\$ 1,267,277

See independent auditor's report.

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

See independent auditor's report.

City of Huntington Park
Proposition C Local Return Fund
Balance Sheets

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	909,463	\$ 761,868
Interest receivable		169	473
Total assets	\$	909,632	\$ 762,341
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	101,007	\$ 75,933
Accrued payroll		6,543	10,920
Total liabilities		107,550	86,853
Fund balance			
Restricted		802,082	675,488
Total fund balance		802,082	675,488
Total liabilities and fund balance	\$	909,632	\$ 762,341

See notes to Funds financial statements.

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

		Years ended June 30	
		2021	2020
Revenues			
Proposition C	\$	990,487	\$ 957,273
Interest income		1,136	6,045
Total revenues		991,623	963,318
 Expenditures			
Various projects		865,029	783,808
Total expenditures		865,029	783,808
Excess of revenues over expenditures		126,594	179,510
Fund balance at beginning of year		675,488	495,978
Fund balance at end of year		\$ 802,082	\$ 675,488

See notes to Funds financial statements.

City of Huntington Park
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)	
105	Fixed Route Public Transit Services	\$ 372,520	\$ 384,920	\$ (12,400)	\$ 362,545
107	Fuel for Fixed Route & Dial-A-Ride	44,000	33,982	10,018	38,857
170	Bus Shelter Maintenance Program	216,872	216,176	696	207,862
280	Gateway COG I-710 EIR/EIS				
	Gateway COG Randolph Corridor	32,658	32,658	-	-
470	COG & JPA	44,000	43,909	91	43,909
620	Administration Prop C	145,074	153,384	(8,310)	130,635
	Total expenditures	\$ 855,124	\$ 865,029	\$ (9,905)	\$ 783,808

See independent auditor's report.

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

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	1,190,484	\$ 1,618,231
Interest receivable		227	718
Total assets	\$	<u>1,190,711</u>	<u>\$ 1,618,949</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	285,055	\$ 155,292
Accrued payroll		2,346	6,748
Total liabilities		<u>287,401</u>	<u>162,040</u>
Fund balance			
Restricted		<u>903,310</u>	1,456,909
Total fund balance		<u>903,310</u>	<u>1,456,909</u>
Total liabilities and fund balance	\$	<u>1,190,711</u>	<u>\$ 1,618,949</u>

See notes to Funds financial statements.

City of Huntington Park
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure R	\$ 743,895	\$ 716,937
Interest income	1,854	11,138
Fuel reimbursement - Metro Transit Services	176,875	-
Total revenues	922,624	728,075
 Expenditures		
Various projects	1,476,223	750,530
Total expenditures	1,476,223	750,530
 Deficiency of revenues over expenditures	 (553,599)	 (22,455)
 Fund balance at beginning of year	 1,456,909	1,479,364
 Fund balance at end of year	 \$ 903,310	\$ 1,456,909

See notes to Funds financial statements.

City of Huntington Park
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)	
125	Fixed Route Transit	\$ 372,520	\$ 384,920	\$ (12,400)	\$ 362,545
125	Metro Transit Fuel and Oil	38,000	33,982	4,018	38,857
440	CIP 2018-07 Downtown HP I-Park Implementation Project	26,271	26,720	(449)	28,654
630	Fund Administration (20% cap)	31,840	39,365	(7,525)	53,264
705	CIP - 2018-05 Signal Synch & Bus Speed Improvements	3,072	3,072	-	102,677
705	CIP 2016-01 ATP Cycle II	-	-	-	32,928
780	Engineering Administration	300,000	300,000	-	50,000
890	CIP 2018-05 Signal Synch & Bus Speed Improvements	-	-	-	38,796
890	CIP 2018-07 Downtown Huntington Park "I-Park" System Implementation	469,990	476,359	(6,369)	42,809
990	CIP 2019-06 Street Enhancement Project	250,000	211,805	38,195	-
	Total expenditures	\$ 1,491,693	\$ 1,476,223	\$ 15,470	\$ 750,530

See independent auditor's report.

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

See independent auditor's report.

City of Huntington Park
Measure M Local Return Fund
Balance Sheets

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	2,081,462	\$ 1,469,451
Interest receivable		388	1,150
Total assets	\$	<u>2,081,850</u>	<u>\$ 1,470,601</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	326,456	\$ 20,311
Total liabilities		<u>326,456</u>	<u>20,311</u>
Fund balance			
Restricted		<u>1,755,394</u>	<u>1,450,290</u>
Total fund balance		<u>1,755,394</u>	<u>1,450,290</u>
Total liabilities and fund balance	\$	<u>2,081,850</u>	<u>\$ 1,470,601</u>

See notes to Funds financial statements.

City of Huntington Park
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure M	\$ 842,860	\$ 806,630
Interest income	2,826	11,172
Total revenues	845,686	817,802
Expenditures		
Various projects	540,582	26,218
Total expenditures	540,582	26,218
Excess of revenues over expenditures	305,104	791,584
Fund balance at beginning of year	1,450,290	658,706
Fund balance at end of year	\$ 1,755,394	\$ 1,450,290

See notes to Funds financial statements.

City of Huntington Park
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)	
313	CIP 2018-07 Downtown i-Park	\$ 113,600	\$ 46,800	\$ 66,800	\$ 20,000
705	CIP 2016-01 ATP Cycle II	493,782	493,782	-	6,218
	Total expenditures	\$ 607,382	\$ 540,582	\$ 66,800	\$ 26,218

See independent auditor's report.

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

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
6/7/2019	2018-19 Various street paving project	\$ 819,475	\$ -	\$ -	\$ 819,475
	Total	<u>\$ 819,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,475</u>

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	-	\$ -
Interest receivable		-	2
Total assets	\$	-	\$ 2
LIABILITIES AND FUND BALANCE (DEFICIT)			
Liabilities			
Accounts payable	\$	-	\$ 6,089
Cash overdraft		176,486	70,416
Total liabilities		176,486	76,505
Fund balance (deficit)			
Restricted		(176,486)	(76,503)
Total fund balance (deficit)		(176,486)	(76,503)
Total liabilities and fund balance (deficit)	\$	-	\$ 2

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Intergovernmental Allocations:		
Article 3	\$ -	\$ -
Interest income	-	1,894
Total revenues	-	1,894
 Expenditures		
Construction/Maintenance	99,983	131,727
Total expenditures	99,983	131,727
 Deficiency of revenues over expenditures	(99,983)	(129,833)
 Fund balance (deficit) at beginning of year	(76,503)	53,330
 Fund deficit at end of year	\$ (176,486)	\$ (76,503)

See notes to Funds financial statements.

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

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Local Allocations:					
Pacific Blvd Project - Bike Racks, Benches and Crosswalk Improvements	2020	\$ -	\$ 99,983	\$ (99,983)	On-going
Totals		\$ -	\$ 99,983	\$ (99,983)	
Fund balance at beginning of year				(76,503)	
Fund deficit at end of year				\$ (176,486)	

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) of the City of Huntington Park (the City) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues and expenditures.

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

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

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

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

Basis of Accounting and Measurement Focus

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

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

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by Metro and are presented in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

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

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

Fund Balance Reporting

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

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F report the following fund balance classification as of June 30, 2021 and 2020:

- Restricted - Amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The use of the Funds' remaining fund balances is restricted for projects approved by Metro.

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

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and deferred inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources reported by the City represent resources that are not available for spending as of June 30, 2021 and 2020.

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.

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 PROJECT GENERATED REVENUES – PALRF

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

		<u>2021</u>		<u>2020</u>
Dial-A-Ride fares	\$	485	\$	885
Fixed route fares		18,210		42,303
Metro bus pass sales		390		23,250
	\$	<u>19,085</u>	\$	<u>66,438</u>

NOTE 9 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED

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

		2021		2020
FY 2017/18 allocation	\$	38,896	\$	38,896
FY 2018/19 allocation		40,259		40,259
FY 2019/20 allocation		42,955		42,955
FY 2020/21 allocation		33,085		-
Total reserve	\$	155,195	\$	122,110

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 10 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 11 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 7, 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 Huntington Park, California and the
Los Angeles County Metropolitan Transportation Authority**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Huntington Park, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 7, 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, the Measure M Local Return Fund and Transportation Development Act Article 3 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

**Glendale, California
December 7, 2021**

COMPLIANCE SECTION

Independent Auditor's Report on Compliance

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

Report on Compliance

We have audited the City of Huntington Park, 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 Huntington Park, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2021.



Report on Internal Control over Compliance

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

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

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

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

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

**Glendale, California
December 7, 2021**

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
Compliance Matrix
Year ended June 30, 2021**

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

See independent auditor's report on compliance.

**City of Huntington Park
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 Huntington Park
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 10, 2021 with the City of Huntington Park representatives. Those in attendance were:

Vasquez and Company LLP representatives:
Cristy Canieda – Audit Partner
Marialyn Labastilla – Audit Senior Manager
Erica Ong – Senior Auditor

City of Huntington Park representatives:
Nita McKay – Director of Finance and Administrative Services
Vivian Truong – Management Analyst

Matters discussed:

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

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

Nita McKay – Director of Finance and Administrative Services



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