



**Metro**<sup>TM</sup>

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

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

**As of and for the Years Ended June 30, 2018 and 2017**

**and**

**Measure M Local Return Fund  
As of and for the Year Ended June 30, 2018**

**with Report of Independent Auditors**

	<u>PAGE</u>
<b>FINANCIAL SECTION</b>	
Report of Independent Auditors	1
Proposition A Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	4
Statements of Revenues, Expenditures and Changes in Fund Balance	5
Supplementary Information:	
Schedule of Expenditures – Actual and LACMTA Approved Project Budget	6
Schedule of Capital Assets	7
Proposition C Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	8
Statements of Revenues, Expenditures and Changes in Fund Balance	9
Supplementary Information:	
Schedule of Expenditures – Actual and LACMTA Approved Project Budget	10
Schedule of Capital Assets	11
Measure R Local Return Fund:	
Basic Financial Statements:	
Balance Sheets	12
Statements of Revenues, Expenditures and Changes in Fund Balance	13
Supplementary Information:	
Schedule of Expenditures – Actual and LACMTA Approved Project Budget	14
Schedule of Capital Assets	15
Measure M Local Return Fund:	
Basic Financial Statements:	
Balance Sheet	16
Statement of Revenues, Expenditures and Changes in Fund Balance	17
Supplementary Information:	
Schedule of Expenditures – Actual and LACMTA Approved Project Budget	18
Schedule of Capital Assets	19
Transportation Development Act Article 3 Fund:	
Basic Financial Statements:	
Balance Sheets	20
Statements of Revenues, Expenditures and Changes in Fund Balance	21
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	22
Notes to Funds Financial Statements	23
Report of Independent Auditors 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>	28

	<u>PAGE</u>
<b>COMPLIANCE SECTION</b>	
Report of Independent Auditors on Compliance	30
Compliance Matrix	32
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	36
<b>EXIT CONFERENCE</b>	37

**FINANCIAL SECTION**

## **Report of Independent Auditors**

**To the Honorable Members of the City Council of the  
City of Baldwin 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 and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Baldwin Park, California (the City) which comprise the Funds' balance sheets as of June 30, 2018 and 2017, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the accompanying financial statements of the City's Measure M Local Return Fund which comprise the Fund's balance sheet as of June 30, 2018, and the related statement of revenues, expenditures and changes in fund balance for the year 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 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 and the Transportation Development Act Article 3 Fund as of June 30, 2018 and 2017 and the Measure M Local Return Fund as of June 30, 2018, of the City of Baldwin Park, California, 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 Baldwin Park, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2018 and 2017, 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 13, 2018 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.

*Vasquez & Company LLP*

**Glendale, California  
December 13, 2018**

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

		June 30	
		2018	2017
<b>ASSETS</b>			
Cash and investments	\$	813,457	\$ 596,724
Interest receivable		2,319	604
<b>Total assets</b>	<b>\$</b>	<b>815,776</b>	<b>\$ 597,328</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	195,214	\$ 152,190
Accrued payroll and employee benefits		-	1,823
<b>Total liabilities</b>		<b>195,214</b>	<b>154,013</b>
<b>Fund balance</b>			
Restricted		620,562	443,315
<b>Total fund balance</b>		<b>620,562</b>	<b>443,315</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>815,776</b>	<b>\$ 597,328</b>

*See notes to Funds financial statements.*



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

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	Years ended June 30	
	2018	2017
<b>Revenues</b>		
Proposition A	\$ 1,394,108	\$ 1,405,904
Proposition A Discretionary Incentive Program Grant	131,737	-
Interest income	6,323	2,663
Project generated revenues	89,670	48,869
Other revenues	60,605	22,443
<b>Total revenues</b>	<b>1,682,443</b>	<b>1,479,879</b>
<b>Expenditures</b>		
Various projects	1,505,196	1,334,410
<b>Total expenditures</b>	<b>1,505,196</b>	<b>1,334,410</b>
Excess of revenues over expenditures	177,247	145,469
Fund balance at beginning of year	443,315	297,846
Fund balance at end of year	\$ 620,562	\$ 443,315

*See notes to Funds financial statements.*

City of Baldwin Park  
Proposition A Local Return Fund  
Supplementary Information  
Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
Year ended June 30, 2018  
(With Comparative Actuals for 2017)

Project Code	Project Name	2018			2017 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
110-01	Fixed Route Shuttle Service	\$ 950,000	\$ 1,075,517	\$ (125,517) <sup>a</sup>	\$ 923,100
120-02	Dial-A-Ride Services	240,000	174,126	65,874	182,217
140-01	Recreational Transit	35,000	20,241	14,759	40,352
200-01	Transit Buses	-	-	-	57,524
200-01	Purchase of 5 Clean Air Fixed Route Transit Buses	45,000	-	45,000	-
200-02	Commuter Express Trolleys Purchase	45,000	560	44,440	-
480-01	Prop A Administration	202,000	234,752	(32,752)	131,217
	<b>Total expenditures</b>	<b>\$ 1,517,000</b>	<b>\$ 1,505,196</b>	<b>\$ 11,804</b>	<b>\$ 1,334,410</b>

<sup>a</sup> The actual variance after considering other funding sources is calculated as follows:

LACMTA Budget		\$ 950,000
Total expenditures	\$ 1,075,517	
Less: Farebox revenue	65,867	
PALRF expenditures		1,009,650
Actual Variance Positive (Negative)		\$ (59,650)

See report of independent auditors.

**City of Baldwin Park**  
**Proposition A Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2018**

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
12/1982	Park and Ride Lot	\$ 260,000	\$ -	\$ -	\$ 260,000
01/1984	1984 Ford Press Van	22,670	-	22,670	-
12/1988	Motorola Trunk Portable Radio	1,059	-	1,059	-
12/1990	HP Laser Jet II Printer	1,703	-	1,703	-
06/1993	Bus Pad - Puente Ave	26,675	-	26,675	-
06/1993	Commuter Rail	1,192,269	-	-	1,192,269
02/1996	Computer 486 W117" Monitor	1,650	-	1,650	-
02/1996	HP 4P Printer	1,012	-	1,012	-
05/2001	Intec Camera System - Rearview	2,268	-	2,268	-
08/2001	Power Pressure Washer	11,217	-	-	11,217
04/2002	Ice Machine	2,305	-	2,305	-
12/2002	(5) Transit Buses	1,077,500	-	-	1,077,500
12/2004	Additional Cost for Buses	101,809	-	-	101,809
04/2016	(5) El Dorado EZ Rider II Max White CNG Buses	1,027,266	-	-	1,027,266
12/2017	Bus Stop Improvements	-	6,000	-	6,000
<b>Total</b>		<b>\$ 3,729,403</b>	<b>\$ 6,000</b>	<b>\$ 59,342</b>	<b>\$ 3,676,061</b>

*See report of independent auditors.*

City of Baldwin Park  
Proposition C Local Return Fund  
Balance Sheets

		June 30	
		2018	2017
<b>ASSETS</b>			
Cash and investments	\$	2,352,531	\$ 3,161,361
Interest receivable		7,499	2,770
<b>Total assets</b>	<b>\$</b>	<b><u>2,360,030</u></b>	<b><u>\$ 3,164,131</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	109,728	\$ 5,324
Accrued payroll and employee benefits		-	13,707
<b>Total liabilities</b>		<b><u>109,728</u></b>	<b><u>19,031</u></b>
<b>Fund balance</b>			
Restricted		<u>2,250,302</u>	<u>3,145,100</u>
<b>Total fund balance</b>		<b><u>2,250,302</u></b>	<b><u>3,145,100</u></b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u>2,360,030</u></b>	<b><u>\$ 3,164,131</u></b>

*See notes to Funds financial statements.*

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

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	Years ended June 30	
	2018	2017
<b>Revenues</b>		
Proposition C	\$ 1,152,551	\$ 1,169,922
Interest income	24,449	13,035
<b>Total revenues</b>	<b>1,177,000</b>	<b>1,182,957</b>
<b>Expenditures</b>		
Various projects	2,071,798	759,391
<b>Total expenditures</b>	<b>2,071,798</b>	<b>759,391</b>
Excess (deficiency) of revenues over expenditures	(894,798)	423,566
Fund balance at beginning of year	3,145,100	2,721,534
Fund balance at end of year	\$ 2,250,302	\$ 3,145,100

*See notes to Funds financial statements.*

**City of Baldwin Park**  
**Proposition C Local Return Fund**  
**Supplementary Information**  
**Schedule of Expenditures – Actual and LACMTA Approved Project Budget**  
**Year ended June 30, 2018**  
**(With Comparative Actuals for 2017)**

Project Code	Project Name	2018			2017 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
150-01	Bus Shelter Improvements	\$ 484,000	\$ 454,756	\$ 29,244	\$ -
170-01	Landscaping at Metrolink	153,000	105,351	47,649	62,692
170-02	Bus Shelter Maintenance	182,000	164,363	17,637	78,628
180-01	Purchase of a Pressure Washer for Bus Shelter Maintenance	400,000	-	400,000	-
180-02	Tower Truck Replacement	100,000	-	100,000	-
230-02	Park/Ride Lot - Utilities	8,000	2,217	5,783	3,897
230-03	Landscaping I-10, Puente Ave, Baldwin Park Blvd	-	-	-	49,345
230-04	Graffiti Abatement at Metro Station	-	-	-	70,569
230-05	Elec Parking Permit Desp for Baldwin Park Metrolink Station and P&R Lot	111,000	111,000	-	-
270-01	Baldwin Park Transit Center	10,700	-	10,700	-
300-01	Baldwin Park Transit Center Parking Structure et al	45,000	-	45,000	60,149
300-03	Transit Center Improvements	250,000	193,671	56,329	-
400-01	Maine/Pacific Ave Traffic Signal Project	100,500	-	100,500	-
410-01	Two Traffic Signals at Los Angeles St and La Rica Ave and Baldwin Park Blvd and Ohio St	-	-	-	-
430-01	San Gabriel River Commuter Bikeway Project	917,000	-	917,000	-
430-03	Maine Ave Complete Streets Projects	917,000	489,961	427,039	-
440-01	Puente Ave Improvement (Merced-Macdevitt)	1,264,000	-	1,264,000	-
440-02	Puente Ave Improvement (Badillo-Ramona)	280,000	-	280,000	-
440-04	Merced Ave Improvements	280,000	227,556	52,444	-
440-05	Puente Ave (Pacific Ave to Central)	89,200	-	89,200	-
440-06	Garvey Ave (Gardenview to Merced Ave)	1,264,000	104,775	1,159,225	-
450-02	Corak Ave Storm Drain Project	-	-	-	285,240
480-02	Prop C Administration	204,000	218,148	(14,148)	148,871
<b>Total expenditures</b>		<b>\$ 7,059,400</b>	<b>\$ 2,071,798</b>	<b>\$ 4,987,602</b>	<b>\$ 759,391</b>

*See report of independent auditors.*

**City of Baldwin Park**  
**Proposition C Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2018**

<b>Date Acquired</b>	<b>Description</b>	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
1992-93	Commuter Rail	\$ 206,000	\$ -	\$ -	\$ 206,000
1992-93	Computer	2,246	-	2,246	-
1999-00	Airless Paint Sprayer	3,895	-	3,895	-
2001-02	Paint Sprayer	3,779	-	3,779	-
2003-04	5 Gallon Shaker	5,950	-	-	5,950
2013-14	Transit Center	2,722,776	-	-	2,722,776
2017-18	Corak Storm Drain Improvements	-	512,797	-	512,797
2017-18	Bus Stop Improvements	-	400,782	-	400,782
2017-18	Residential Street Rehabilitation	-	342,487	-	342,487
2017-18	Concrete Improvements Project	-	14,000	-	14,000
<b>Total</b>		<b>\$ 2,944,646</b>	<b>\$ 1,270,066</b>	<b>\$ 9,920</b>	<b>\$ 4,204,792</b>

*See report of independent auditors.*

City of Baldwin Park  
Measure R Local Return Fund  
Balance Sheets

		June 30	
		2018	2017
<b>ASSETS</b>			
Cash and investments	\$	1,202,383	\$ 1,733,510
Interest receivable		3,765	2,238
<b>Total assets</b>	<b>\$</b>	<b><u>1,206,148</u></b>	<b><u>\$ 1,735,748</u></b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	175,256	\$ 47,452
Accrued payroll and employee benefits		-	7,711
<b>Total liabilities</b>		<b><u>175,256</u></b>	<b><u>55,163</u></b>
<b>Fund balance</b>			
Restricted		<u>1,030,892</u>	<u>1,680,585</u>
<b>Total fund balance</b>		<b><u>1,030,892</u></b>	<b><u>1,680,585</u></b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b><u>1,206,148</u></b>	<b><u>\$ 1,735,748</u></b>

*See notes to Funds financial statements.*



City of Baldwin Park  
Measure R Local Return Fund

**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2018	2017
<b>Revenues</b>		
Measure R	\$ 866,113	\$ 874,832
Interest income	11,731	10,270
<b>Total revenues</b>	<b>877,844</b>	<b>885,102</b>
<b>Expenditures</b>		
Various projects	1,527,537	1,378,350
<b>Total expenditures</b>	<b>1,527,537</b>	<b>1,378,350</b>
Deficiency of revenues over expenditures	(649,693)	(493,248)
Fund balance at beginning of year	1,680,585	2,173,833
Fund balance at end of year	\$ 1,030,892	\$ 1,680,585

*See notes to Funds financial statements.*

**City of Baldwin Park**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Expenditures – Actual and LACMTA Approved Project Budget**  
**Year ended June 30, 2018**  
**(With Comparative Actuals for 2017)**

Project Code	Project Name	2018		Variance Positive (Negative)	2017 Actual
		LACMTA Budget	Actual		
1.05	Street Repairs, Maintenance, Street Rehabilitation	\$ 188,400	\$ 256,356	\$ (67,956)	-
1.05	Street Repair and Median Modifications on Bus Routes	610,000	295,386	314,614	452,888
1.05	Corak Storm Drain Street Rehabilitation	50,000	21,855	28,145	38,912
1.30	Street Improvements Per New Complete Streets Policy	130,000	141,367	(11,367)	254,310
1.90	Street Name Roadway Signs	99,800	101,953	(2,153)	-
1.90	Landscaping of Complete Streets	32,100	36,244	(4,144)	-
3.05	Safe Routes to School Improvements	350,000	45,906	304,094	-
3.05	Downtown Improvements	550,000	29,444	520,556	-
4.90	Park and Ride Facility Maintenance	5,000	4,725	275	-
4.90	Bus Stop/Share Maintenance	30,300	65,812	(35,512)	-
5.10	Street Sweeper Replacement	200,000	200,000	-	-
5.15	Metrolink Station Maintenance	30,425	33,122	(2,697)	9,887
5.35	Bus Stop Repairs - Repair/Replace Damages Shelter and Benches	10,000	-	10,000	13,526
5.90	Install Digital Marquees	120,000	-	120,000	-
5.90	Stump Grinder with Trailer	25,000	24,366	634	-
5.90	Replace Existing Plotter	10,000	9,883	117	-
5.90	Racks and Storage of Street Equipment	15,000	-	15,000	-
6.40	Promote Transportation Program - Outreach Material to Public	7,000	-	7,000	-
7.20	SGVCOG Dues and TDM Related Activities Required by the CMP	5,510	5,510	-	16,212
7.90	Planning and Engineering for Eligible Projects	60,000	-	60,000	24,690
7.90	GIS Mapping for Bikeways	3,000	3,000	-	-
8.10	Administration of Projects and Programs	257,000	252,608	4,392	268,396
01-002	Maine Ave Complete Streets Project	-	-	-	26,817
02-005	Synchronize Traffic Signals on Pacific Ave and on Maine Ave	-	-	-	40,038
02-006	Install New Traffic Signal at Los Angeles St and Hornbrook Ave	-	-	-	165,421
04-003	Transit Facility Graffiti Abatement	-	-	-	62,112
05-006	Advertisement Banner Pole	-	-	-	5,141
<b>Total expenditures</b>		<b>\$ 2,788,535</b>	<b>\$ 1,527,537</b>	<b>\$ 1,260,998</b>	<b>\$ 1,378,350</b>

*See report of independent auditors.*

**City of Baldwin Park**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2018**

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
2013-14	Transit Center	\$ 429,599	\$ -	\$ -	\$ 429,599
2017-18	Fork Lift Model C25L Tripple Clark	-	3,701	-	3,701
2017-18	Street Sweeper (TYMCO 600 - CNG/Freightliner)	-	200,000	-	200,000
2017-18	Alleyway Street Improvements Project	-	100,000	-	100,000
2017-18	Residential Street Rehabilitation	-	656,326	-	656,326
2017-18	Center Median Landscape Improvements	-	806,917	-	806,917
2017-18	Corak Storm Drain Improvements	-	60,766	-	60,766
<b>Total</b>		<b>\$ 429,599</b>	<b>\$ 1,827,710</b>	<b>\$ -</b>	<b>\$ 2,257,309</b>

*See report of independent auditors.*

**City of Baldwin Park  
Measure M Local Return Fund  
Balance Sheet  
June 30, 2018**

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**ASSETS**

Cash and investments	\$	278,140
Interest receivable		300
<b>Total assets</b>	<b>\$</b>	<u>278,440</u>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable	\$	5,822
<b>Total liabilities</b>		<u>5,822</u>

**Fund balance**

Restricted		<u>272,618</u>
<b>Total fund balance</b>		<u>272,618</u>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<u>278,440</u>

*See notes to Funds financial statements.*

**City of Baldwin Park**  
**Measure M Local Return Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Year ended June 30, 2018**

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<b>Revenues</b>	
Measure M	\$ 784,896
Interest income	619
<b>Total revenues</b>	<u>785,515</u>
<b>Expenditures</b>	
Various projects	<u>512,897</u>
<b>Total expenditures</b>	<u>512,897</u>
Excess of revenues over expenditures	272,618
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$ 272,618</u>

*See notes to Funds financial statements.*

City of Baldwin Park  
Measure M Local Return Fund  
Supplementary Information

Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
Year ended June 30, 2018

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Project Code	Project Name	LACMTA Budget	Actual	Variance Positive (Negative)
01-002	Street Rehabilitation Project	\$ -	\$ 399,954 *	\$ (399,954)
07-001	PS and E Design of Street Rehabilitation Project	-	20,822 *	(20,822)
08-001	Measure M Administration	-	92,121 *	(92,121)
<b>Total expenditures</b>		<b>\$ -</b>	<b>\$ 512,897</b>	<b>\$ (512,897)</b>

\* See Compliance Matrix and Schedule of Findings and Questioned Costs.

*See report of independent auditors.*

**City of Baldwin Park**  
**Measure M Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2018**

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<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
2017-18	Residential Street Rehabilitation	\$ -	\$ 374,619	\$ -	\$ 374,619
2017-18	Concrete Improvements Project	-	20,822	-	20,822
<b>Total</b>		<b>\$ -</b>	<b>\$ 395,441</b>	<b>\$ -</b>	<b>\$ 395,441</b>

*See report of independent auditors.*

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

		June 30	
		2018	2017
<b>ASSETS</b>			
Cash	\$	4,552	\$ 3,564
Due from LACMTA		-	100,000
Interest receivable		97	3
<b>Total assets</b>	<b>\$</b>	<b>4,649</b>	<b>\$ 103,567</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	6,695	\$ -
<b>Total liabilities</b>		<b>6,695</b>	<b>-</b>
<b>Fund balance (deficit)</b>			
Restricted		(2,046)	103,567
<b>Total fund balance (deficit)</b>		<b>(2,046)</b>	<b>103,567</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>4,649</b>	<b>\$ 103,567</b>

*See notes to Funds financial statements.*



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

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	Years ended June 30	
	2018	2017
<b>Revenues</b>		
Intergovernmental Allocations:		
Article 3	\$ -	\$ 100,000
Interest income	528	17
<b>Total revenues</b>	<b>528</b>	<b>100,017</b>
<b>Expenditures</b>		
Construction/Maintenance	106,141	-
<b>Total expenditures</b>	<b>106,141</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(105,613)	100,017
Fund balance at beginning of year	103,567	3,550
Fund balance (deficit) at end of year	\$ (2,046)	\$ 103,567

*See notes to Funds financial statements.*

**City Baldwin 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, 2018**

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<b>Project Description</b>	<u>Program Year</u>	Totals to Date			<u>Project Status</u>
		<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	
<b>Local Allocations:</b>					
San Gabriel River Bikeway Project	2018	\$ -	\$ 28,000	\$ (28,000)	On-going
City Sidewalk Improvement with Bus Shelter Project	2018	-	78,141	(78,141)	On-going
<b>Totals</b>		\$ -	\$ 106,141	(106,141)	
Investment income				528	
Fund balance at beginning of year				103,567	
Fund balance (deficit) at end of year				\$ (2,046)	

*See report of independent auditors.*

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

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

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

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

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

**Basis of Accounting and Measurement Focus**

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

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

**Budgets and Budgetary Accounting**

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by LACMTA 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 Comprehensive Annual Financial Report 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, 2018:

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

Information regarding the fund balance reporting policy adopted by the City is described in 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 do not purport to, and do not present fairly the City's financial position as of June 30, 2018 and 2017, 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 City's Comprehensive Annual Financial Report (CAFR) for a full description of risks relating to cash and investments.

**NOTE 8      PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANT**

The Proposition A Discretionary Incentive Program grant represents additional funds received from LACMTA for participating in the Voluntary NTD Program. The amounts received for the years ended June 30, 2018 and 2017 consisted of the following:

	2018	2017
FY 2013/14 Voluntary NTD Reporting Program Year	\$ <u>131,737</u>	\$ -
	\$ <u>131,737</u>	\$ -

The Proposition A Discretionary Incentive Program grants were recorded under PALRF.

**NOTE 9      PROJECT GENERATED REVENUES**

Project generated revenues under PALRF for the years ended June 30, 2018 and 2017 consisted of the following:

	2018	2017
Farebox	\$ <u>65,867</u>	\$ 24,291
Other licenses and permits	\$ <u>23,803</u>	\$ 24,578
	\$ <u>89,670</u>	\$ 48,869

**NOTE 10 OTHER REVENUES**

Other revenues under PALRF for the years ended June 30, 2018 and 2017 consisted of the following:

		<u>2018</u>		<u>2017</u>
Bus shelter maintenance	\$	33,666	\$	11,222
Bus shelter advertising		23,353		7,784
Others		3,586		3,437
	\$	<u>60,605</u>	\$	<u>22,443</u>

**NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION**

The revenue allocations for the years ended June 30, 2018 and 2017 consisted of the following:

		<u>2018</u>		<u>2017</u>
FY 2013/14 allocation	\$	-	\$	13,248
FY 2014/15 allocation		-		50,366
FY 2015/16 allocation		-		36,386
	\$	<u>-</u>	\$	<u>100,000</u>

**NOTE 12 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 LACMTA. As of June 30, 2018 and 2017, the City has funds on reserve as follows:

		<u>2018</u>		<u>2017</u>
FY 2015/16 allocation	\$	12,498	\$	12,498
FY 2016/17 allocation		51,051		51,051
FY 2017/18 allocation		48,674		-
	\$	<u>112,223</u>	\$	<u>63,549</u>

For FY 2017/18, any TDA Article 3 funds left on reserve for FY 2013/14 or prior, are subject to lapse if not claimed by the City by June 30, 2018. There were no funds that lapsed in FY 2017/18.

**NOTE 13 SUBSEQUENT EVENTS**

The City has evaluated subsequent events through December 13, 2018, the date the financial statements were available to be issued, and concluded no events have occurred that require disclosure or adjustments to the financial statements.

**Report of Independent Auditors 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 Baldwin 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 Baldwin Park, California (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2018.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

**Glendale, California  
December 13, 2018**

**COMPLIANCE SECTION**

## **Report of Independent Auditors on Compliance**

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

### **Report on Compliance**

We have audited the compliance of the City of Baldwin Park, 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, Measure M Local Return Guidelines 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, 2018.

### ***Management's Responsibility***

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

### ***Auditors' 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 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 Baldwin Park, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2018.



### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance with the requirements, which is described in the accompanying Schedule of Findings and Questioned Costs as Finding #2018-001. Our opinion is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

### **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 "Vaquez &amp; Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California  
December 13, 2018**

**City of Baldwin Park  
Compliance Matrix  
Year ended June 30, 2018**

Compliance Requirements	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.	X				
2. Timely use of funds.	X				
3. Funds expended were approved and have not been substituted for property tax.	X				
4. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A)	X				
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X				
6. All on-going and carryover projects were reported in Form B.	X				
7. Annual Project Summary Report (Form B) was submitted timely.	X				
8. Annual Expenditure Report (Form C) was submitted timely.	X				
9. Cash or cash equivalents are maintained.	X				
10. Accounting procedures, record keeping and documentation are adequate.	X				
11. Pavement Management System (PMS) in place and being used for Street Maintenance or Improvement Projects Expenditures.	X				
12. Local Return Account is credited for reimbursable expenditures.			X		
13. Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X		
14. Assurances and Understandings form was on file.	X				
15. Recreational Transit Form was submitted timely.	X				

*See report of independent auditors on compliance.*

**City of Baldwin Park  
Compliance Matrix  
Year ended June 30, 2018**

Compliance Requirements	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				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure R Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form One) was submitted timely.	X				
8. Expenditure Report (Form Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

*See report of independent auditors on compliance.*

**City of Baldwin Park  
Compliance Matrix  
Year ended June 30, 2018**

Compliance Requirements	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				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure M Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X				
6. Funds were expended with LACMTA's approval.		X			See Finding #2018-001
7. Expenditure Plan (Form M-One) was submitted timely.	X				
8. Expenditure Report (Form M-Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

*See report of independent auditors on compliance.*

**City of Baldwin Park  
Compliance Matrix  
Year ended June 30, 2018**

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Compliance Requirements	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				
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				

*See report of independent auditors on compliance.*



**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**City of Baldwin Park**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2018**

**MMLRF: Finding #2018-001**

<b>Compliance Reference</b>	<p>Section XXV of the Measure M Final Guidelines states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year.</p> <p>Expenditure Plan (Form M-One) provides a listing of projects funded with Measure R LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan.</p>
<b>Condition</b>	<p>The City claimed expenditures under the following projects with no prior approval from LACMTA.</p> <ul style="list-style-type: none"> <li>a. Project code 01-002, Street Rehabilitation Project, totaling to \$399,954;</li> <li>b. Project code 07-001, PS and E Design of Street Rehabilitation Project, totaling to \$20,822; and</li> <li>c. Project code 08-001, Measure M Administration, totaling \$92,121.</li> </ul> <p>Although we found the expenditures to be eligible for Local Return funding, these projects had no prior approval from LACMTA.</p>
<b>Cause</b>	<p>The condition was due to an unintentional oversight by the City.</p>
<b>Effect</b>	<p>Measure M LR funds of \$512,897 were expended towards project expenditures without prior approval by the LACMTA.</p>
<b>Recommendation</b>	<p>We recommend for the City to establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on any Local Return-funded projects.</p>
<b>Management's Response</b>	<p>The City believes this oversight was an isolated incident since Measure M is a new program from LACMTA and was not active at the beginning of the fiscal year. The City recognizes the importance of submitting all LACMTA Forms timely. We will establish procedures to ensure all forms are submitted by the due date.</p>
<b>Finding Resolved During the Audit</b>	<p>LACMTA Program Manager subsequently granted a retroactive approval of the said projects on August 23, 2018. No follow up is required.</p>

**EXIT CONFERENCE**

An exit conference was held on December 13, 2018 with the City of Baldwin Park representatives. Those in attendance were:

Vasquez and Company LLP representatives:  
Cristy Canieda – Audit Partner  
Marialyn Salvador – Audit Senior Manager

City of Baldwin Park representatives:  
Rose Tam – Finance Director  
Tess Anson – Assistant Accounting Manager  
Anthony Ceballos – Accountant

Matters discussed:

Results of the audit disclosed an instance of noncompliance with the Guidelines.

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

Rose Tam – Finance Director  
Tess Anson – Assistant Accounting Manager  
Anthony Ceballos – Accountant



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