



Metro[™]

**City of Maywood
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**

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FINANCIAL SECTION

Report of Independent Auditors

**To the Honorable Members of the City Council of the
City of Maywood, 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 Maywood, 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 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 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 Maywood, 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 Maywood, 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 21, 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 21, 2018

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

		June 30	
		2018	2017
ASSETS			
Cash and investments	\$	397,656	\$ 1,109,540
Due from LACMTA		-	11,307
Total assets	\$	<u>397,656</u>	<u>\$ 1,120,847</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	-	\$ -
Total liabilities		<u>-</u>	<u>-</u>
Fund balance			
Restricted		<u>397,656</u>	<u>1,120,847</u>
Total fund balance		<u>397,656</u>	<u>1,120,847</u>
Total liabilities and fund balance	\$	<u>397,656</u>	<u>\$ 1,120,847</u>

See notes to Funds financial statements.

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

	Years ended June 30	
	2018	2017
Revenues		
Proposition A	\$ 526,377	\$ 508,809
Proposition A Discretionary Incentive Program grant	-	15,829
Interest income	432	269
Total revenues	526,809	524,907
Expenditures		
Various projects	1,250,000	-
Total expenditures	1,250,000	-
Excess (deficiency) of revenues over expenditures	(723,191)	524,907
Fund balance at beginning of year	1,120,847	595,940
Fund balance at end of year	\$ 397,656	\$ 1,120,847

See notes to Funds financial statements.

City of Maywood
 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)	
405-02	Sale of Prop A Funds to West Hollywood	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -
	Total expenditures	\$ 1,250,000	\$ 1,250,000	\$ -	\$ -

See report of independent auditors.

City of Maywood
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>
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

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

		June 30	
		2018	2017
ASSETS			
Cash and investments	\$	818,321	\$ 822,883
Total assets	\$	818,321	\$ 822,883
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	86,518	\$ 57,614
Accrued payroll		136	714
Total liabilities		86,654	58,328
Fund balance			
Restricted		731,667	764,555
Total fund balance		731,667	764,555
Total liabilities and fund balance	\$	818,321	\$ 822,883

See notes to Funds financial statements.

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

	Years ended June 30	
	2018	2017
Revenues		
Proposition C	\$ 434,878	\$ 423,759
Interest income	987	251
Bus pass sales	9,136	9,304
Reimbursements from LACMTA for bus passes	-	3,700
Total revenues	445,001	437,014
Expenditures		
Various projects	477,889	461,349
Total expenditures	477,889	461,349
Deficiency of revenues over expenditures	(32,888)	(24,335)
Other financing source		
Reimbursement from general fund	-	13,416
	-	13,416
Change in fund balance	(32,888)	(10,919)
Fund balance at beginning of year	764,555	775,474
Fund balance at end of year	\$ 731,667	\$ 764,555

See notes to Funds financial statements.

City of Maywood
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)	
110-01	Maywood Area Transit	\$ 215,000	\$ 188,637	\$ 26,363	\$ 197,396
120-01	Maywood Dial-A-Ride	175,000	175,625	(625)	154,045
170-01	Bus Shelter Maintenance	24,000	24,000	-	-
250-01	Bus Pass Subsidy Program	50,000	42,464	7,536	46,802
480-130	Administrative Costs for Prop C Approved Projects	57,500	47,163	10,337	63,106
	Total expenditures	\$ 521,500	\$ 477,889	\$ 43,611	\$ 461,349

See report of independent auditors.

City of Maywood
Proposition C 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>
	None	\$ -	\$ -	\$ -	\$ -
	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See report of independent auditors.

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

		June 30	
		2018	2017
ASSETS			
Cash and investments	\$	825,481	\$ 879,406
Prepaid expense		-	15,000
Total assets	\$	825,481	\$ 894,406
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	46,909	\$ 55,945
Accrued payroll		3	367
Total liabilities		46,912	56,312
Fund balance			
Restricted		778,569	838,094
Total fund balance		778,569	838,094
Total liabilities and fund balance	\$	825,481	\$ 894,406

See notes to Funds financial statements.

City of Maywood
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

		Years ended June 30	
		2018	2017
Revenues			
Measure R	\$	327,020	\$ 316,609
Interest income		940	324
Total revenues		327,960	316,933
Expenditures			
Various projects		387,485	676,112
Total expenditures		387,485	676,112
Deficiency of revenues over expenditures		(59,525)	(359,179)
Fund balance at beginning of year		838,094	1,197,273
Fund balance at end of year		\$ 778,569	\$ 838,094

See notes to Funds financial statements.

City of Maywood
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	Local Street Improvement Project	\$ 725,000	\$ 309,679 *	\$ 415,321	\$ 654,950
7.90	Pavement Management System	20,000	27,065	(7,065)	-
7.10	Gateway Cities Council of Governments	25,000	25,000	-	10,000
8.10	Administration costs	-	25,741 *	(25,741)	11,162
Total expenditures		\$ 770,000	\$ 387,485	\$ 382,515	\$ 676,112

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

See report of independent auditors.

City of Maywood
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>
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

City of Maywood
Measure M Local Return Fund
Balance Sheet
June 30, 2018

ASSETS

Cash and investments	\$ 296,560
Total assets	\$ <u>296,560</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ -
Total liabilities	<u>-</u>

Fund balance	
Restricted	296,560
Total fund balance	<u>296,560</u>
Total liabilities and fund balance	\$ <u>296,560</u>

See notes to Funds financial statements.

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

Revenues	
Measure M	\$ 296,355
Interest income	205
Total revenues	<u>296,560</u>
 Expenditures	
Various projects	<u>-</u>
Total expenditures	<u>-</u>
Excess of revenues over expenditures	296,560
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$ 296,560</u>

See notes to Funds financial statements.

City of Maywood
 Measure M Local Return Fund
 Supplementary Information
 Schedule of Expenditures – Actual and LACMTA Approved Project Budget
 Year ended June 30, 2018

Project Code	Project Name	LACMTA Budget	Actual	Variance Positive (Negative)
None		\$ -	\$ -	\$ -
	Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See report of independent auditors.

City of Maywood
Measure M 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>
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

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

		June 30	
		2018	2017
ASSETS			
Cash and investments	\$	30,136	\$ 6,573
Due from LACMTA		-	54,417
Total assets	\$	30,136	\$ 60,990
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	15,340	\$ 17,600
Total liabilities		15,340	17,600
Fund balance			
Restricted		14,796	43,390
Total fund balance		14,796	43,390
Total liabilities and fund balance	\$	30,136	\$ 60,990

See notes to Funds financial statements.

City of Maywood
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	
	2018	2017
Revenues		
Intergovernmental Allocations:		
Article 3	\$ -	\$ 60,989
Interest income	43	1
Total revenues	43	60,990
Expenditures		
Construction/Maintenance	28,637	17,600
Total expenditures	28,637	17,600
Excess (deficiency) of revenues over expenditures	(28,594)	43,390
Fund balance at beginning of year	43,390	-
Fund balance at end of year	\$ 14,796	\$ 43,390

See notes to Funds financial statements.

City of Maywood
 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

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Local Allocations:					
Pedestrian and Bicycle Facilities	2018	\$ -	\$ 28,637	\$ (28,637)	Ongoing
Totals		\$ -	\$ 28,637	(28,637)	
Interest income				43	
Fund balance at beginning of year				43,390	
Fund balance at end of year				\$ 14,796	*

* The remaining fund balance of \$14,796 was encumbered as of June 30, 2018.

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

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

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

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

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

Basis of Accounting and Measurement Focus

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

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

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by 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 and 2017:

- 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 National Transit Database (NTD) Reporting Program. The amounts received for the years ended June 30, 2018 and 2017 consisted of the following:

	2018	2017
FY 2012/13 Voluntary NTD Reporting Program Year	\$ -	\$ 11,307
FY 2013/14 Voluntary NTD Reporting Program Year	-	4,522
	\$ -	\$ 15,829

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

NOTE 9 PROPOSITION A FUND EXCHANGE

As permitted by the Local Return Guidelines and as approved by LACMTA, the City entered into an agreement on October 11, 2017 with the City of West Hollywood to exchange the Proposition A fund monies amounting to \$1,250,000 for \$875,000 or \$0.70 PALRF monies per \$1 of general fund monies.

NOTE 10 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

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

		2018		2017
FY 2013/14 allocation	\$	-	\$	6,572
FY 2014/15 allocation		-		18,232
FY 2015/16 allocation		-		17,699
FY 2016/17 allocation		-		18,486
	\$	-	\$	60,989

NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED

In accordance with TDA Article 3 (SB821) Guidelines, funds which will not be spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by LACMTA. As of June 30, 2018 and 2017, the City has funds on reserve as follows:

		2018		2017
FY 2017/18 allocation	\$	18,388	\$	-
	\$	18,388	\$	-

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 12 CONTINGENCIES

The PALRF, the PCLRF, the MRLRF, the MMRLF and the TDAA3 Funds are subject to review and audit by the funding and contracting agencies. Such audits could generate expenditure disallowances under the terms of the grants or contracts, the amounts of which cannot be determined at this time. Management believes that any required reimbursements will not have a significant impact on the Funds' financial statements.

NOTE 13 SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 31, 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 Maywood, 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 Maywood, 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 21, 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.

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

**Glendale, California
December 21, 2018**

COMPLIANCE SECTION

Report of Independent Auditors on Compliance

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

Report on Compliance

We have audited the compliance of the City of Maywood, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for 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 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 Maywood, 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 instances of noncompliance with the requirements, which are described in the accompanying Schedule of Findings and Questioned Costs as Findings #2018-001, #2018-002 and #2018-003. Our opinion is not modified with respect to these matters.

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

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and a significant deficiency.

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, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs, as Finding #2018-002, to be a material weakness.

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. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs, as Finding #2018-001, to be a significant deficiency.

The City's responses to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.



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.

Vasquez & Company LLP

**Glendale, California
December 21, 2018**

**City of Maywood
Compliance Matrix
Year ended June 30, 2018**

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.	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 Maywood
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. Measure R Local Return Fund					
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			See Finding #2018-001
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		
14. Accounting procedures, record keeping and documentation are adequate.		X		\$309,679	See Finding #2018-002

See report of independent auditors on compliance.

**City of Maywood
Compliance Matrix
Year ended June 30, 2018**

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		There were no expenditures in FY 2017/18.
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a fund shortfall.			X		There were no expenditures in FY 2017/18.
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		There were no expenditures in FY 2017/18.
7. Expenditure Plan (Form M-One) was submitted timely.			X		There were no expenditures in FY 2017/18.
8. Expenditure Report (Form M-Two) was submitted timely.		X			See Finding #2018-003
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.			X		There were no expenditures in FY 2017/18.
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 Maywood
Compliance Matrix
Year ended June 30, 2018**

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 report of independent auditors on compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Maywood
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

MRLRF: Finding #2018-001

Compliance Reference	<p>Section B (II) of Measure R Local Return Program Guideline states that, "To maintain legal eligibility and meet Measure R LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form One), annually, by August 1st of each year.</p> <p>Expenditure Plan (Form 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. For capital projects (projects over \$250,000), Part II is required. Pursuant to AB2321, LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan.</p>
Condition	<p>The City claimed expenditures for MRLRF project code 8.10, Administration Costs, for \$25,741 with no prior approval from LACMTA.</p> <p>This is a repeat finding from FY 2016/17 audit.</p>
Cause	<p>The former staff was not properly trained in Measure R Local Return Program Guidelines, including all the spending regulations, compliance requirements, eligibility and reporting deadlines.</p>
Effect	<p>The City claimed expenditures totaling \$25,741 without prior approval from LACMTA. Lack of prior approval results in non-compliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>
Recommendation	<p>We recommend for the City to establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure R-funded projects.</p>
Management's Response	<p>We concur with the recommendation. Staff will be attending LACMTA workshops and trainings on all LACMTA programs. We believe with this required training, staff will better understand Measure R expenditure program eligibility, approval and deadline filings. In addition, City staff is establishing internal procedures to ensure that required LACMTA procedures are followed prior to spending on any local return funded projects.</p>
Finding Corrected During the Audit	<p>The City submitted a revised Expenditure Plan (Form One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on December 21, 2018.</p>

City of Maywood
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

MRLRF: Finding #2018-002

<p>Compliance Reference</p>	<p>Section VII of Measure R Local Return Guidelines states that, "It is the Jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines..."</p> <p>Also, Section B of the Assurance and Understanding regarding receipt and use of Measure R Local Return Funds states that, "For projects to be funded in part or in whole with Measure R LR funds, the Jurisdiction will comply with all applicable federal, state, and local laws and regulations, including compliance with the procurement requirements".</p> <p>Further, Section 3.4.10 (b) of the City's procurement policy states that, "Distribution of notice inviting formal bids or request for proposals. A notice inviting formal bids or a request for proposal or qualifications, as appropriate, shall be posted at least once and at least ten (10) calendar days before the date of opening the bids or proposals. The notice shall be published once at least ten (10) calendar days before the date of opening the bids in a newspaper of general circulation ..."</p>
<p>Condition</p>	<p>During the fiscal year 2018, the City made payments to V&M Iron Works under MRLRF project code 1.05 Local Street Improvement Project, totaling \$309,679. Payments were supported by copies of cancelled checks and approved invoices by authorized city officials.</p> <p>During our review of the City's compliance with the procurement guidelines, we noted that the services provided by the above-mentioned vendor was not procured in accordance with the City's procurement policy. The City was not able to provide documents to support that bids or proposals were requested or publicly advertised.</p> <p>In February 2018, Authorities searched and subjected the City to investigations for allegations of fraud and corruption. Documents, including the accounting records of the City were confiscated by the LA County District Attorney's Office. This vendor is included in the list of vendors that are currently investigated by the LA County District Attorney's Office. As of the date of this report, investigations are still ongoing.</p>
<p>Cause</p>	<p>The previous staff was not properly trained in Measure R Guidelines, including all the spending regulations, compliance requirements, eligibility and reporting deadlines.</p>

City of Maywood
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

MRLRF: Finding #2018-002 (Continued)

Effect	For fiscal year 2018, the amount paid to the maintenance contract with V&M Iron without following the City's procurement policy resulted in questioned costs of \$309,679.
Recommendation	<p>We recommend for the City to fully reimburse its Measure R Local Return Fund account the amount of \$309,679, including interest.</p> <p>We further recommend that the City establish controls and educate staff who reviews expenses so they can spot fraudulent activity procedures to ensure that the City is in compliance with its procurement policies and procedures at all times.</p>
Management's Response	<p>We concur with the MTA Auditor's recommendation to follow the City's procurement Policy and this has been the City's current practice since 2017, but we do not concur with the LACMTA Auditor's recommendation to reimburse \$309,679 of Measure R funds to LAMTA.</p> <p>Dispute: We dispute the Audit finding that the City did not follow its procurement policy and ignored the RFP advertisement procedure for formal bidding. The fact that the City is unable to provide absolute proof of advertisement should not be the grounds for disqualification of eligible funds. We were unable to provide absolute proof requested, but provided circumstantial proof (corroborated by staff and the City Attorney) that substantiates our claim that RFP advertising procedures were in accordance with our procurement policy. The City staff is always required to adhere to all adopted policies as established by ordinance.</p> <p>RFP timeline background: In February 2016, Council approved a notice inviting RFP for General Maintenance. Due to the lack of competitive responses from outside vendors, Council approved to post for a second RPF notice inviting RFP for General Maintenance on May 2016.</p> <p>On a September 14, 2016 staff report, the City attorney indicated that although we posted this RFP twice, we only received a sole bidder (V&M Ironworks). Under the advice of the City attorney, Council proceeded to approve the agreement with V&M Ironworks. V&M has been working for the City since 2010, and for any bid process, they provide all the document requirements under the RFP guidelines.</p>

MRLRF: Finding #2018-002 (Continued)

<p>Management's Response (continued)</p>	<p>After interviewing staff during this RFP period, staff attested to the fact that the City went to bidding twice, with one sole bidder responsive to the City's RFP posting. This further corroborates the September 14, 2016 staff report prepared by the City attorney indicating we posted this RFP twice, but only received one bid for the project.</p> <p>Financial and Staffing Struggles Since the City's disbandment in June 2010, the City has been struggling to regain itself as a full-service City. We are dedicated to providing the residents of Maywood continued public work and infrastructure projects to improve the quality of life to our residents. The City relies on the availability of special revenue funds/resources (CDBG, LAMTA, Gas Tax, etc) to fund many of our public works projects. The reimbursement of Measure R Local return of \$309,679 is significant to the City's General Fund, that will financially impact our general operating fund and will reduce some services we provide to the residents.</p> <p>Facts to reconsider with the Audit Findings</p> <ul style="list-style-type: none"> • All the parties involved in the advertising posting no longer work for the City. <ul style="list-style-type: none"> ○ The City Attorney mentions the RFP has been posted twice in his Staff Report to Council. ○ The Finance personnel has attested to having direct knowledge of seeing the RFP posting twice • Our City attorney, who submitted the Staff report to Council indicating that the RFP invitation had been posted twice, passed recently and was unable to provide us further clarification or documentation of the RFP invitation in question. • All our original files (January 2015 to February 2018) are with the District Attorney's Office. • The City hired a new Website company, who designed our current website at the end of 2017. We are able to see what has been published online since December 2017, we have no access however to see what was published prior to that month.
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MRLRF: Finding #2018-002 (Continued)

<p>Management's Response (continued)</p>	<ul style="list-style-type: none"> • NOTE: In addition to what our auditor indicated in the compliance reference, Section 3.4.10 (b) of the City's procurement policy allows, as part of the Formal Bidding procedure, the alternative to post a bidding invitation in at least three (3) public places in the City which have been designated as the places for posting public notices. This is the alternative that is currently used by the City to post agendas, minutes and biddings for events. Staff posts on: <ul style="list-style-type: none"> ▪ In the City's website ▪ Copies of the Invitation on Front Counter and the board (outside City Hall) ▪ In the Library <p>Conclusion: Over the course of my tenure as the Finance Director, I have strived to build trusting working relationship with our vendors and independent auditors. As a representative of the City, I take professional pride on my ability to resolve audit discrepancies and improve transparency in our financial transactions. If we are in non-compliance of program requirements, we immediately implement policies and procedures to ensure we are in full compliance to avoid findings in the future.</p> <p>Due to lack of full-time personnel for several years, the City was unable to pursue capital and public works projects that would improve the City of Maywood. The finance department now has full-time professional accountants who are responsible for ensuring internal control policies and procedures are followed in accordance with ordinance. Since fiscal year 2017/18, we now contract with an Engineering firm who oversees public works projects. They are experienced and understand the importance of contractors following our policies and procedures and in full compliance with grant agencies guidelines. Recommending the return of \$309,679 to LACMTA is an excessive measure considering the documentation and information provided that will generate the stoppage of some of these projects while adding unnecessary financial burden to our City.</p>
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MRLRF: Finding #2018-002 (Continued)

<p>Management's Response (continued)</p>	<p>In closing, while I appreciate our Auditor's reservations (expressed during informal conversation) due to the open investigation by the D.A.'s office with the City, this case remains open. The City is working to resolve this investigation with the D.A.'s Office and working with outside agencies who have inquired about the results of this pending case. The City's position is that we have followed all the accounting and auditing standards in our procurement process. We are requesting that you reconsider the facts based on what we are able to provide to substantiate our posting claim with the standard of reasonableness taking into consideration the limited resources and Staff available at the time of the posting claim.</p>
<p>Auditor's Rejoinder</p>	<p>Auditors recognize the fact that there are issues with respect to employee turnover and lack of resources within the City organization. Auditors also recognize that documents supporting transactions and contracts previously entered into by the City may no longer be available because of turnover.</p> <p>However, professional standards require auditors to not just rely on management representation but also to find corroborating evidence to support conclusions and to use professional judgment.</p> <p>Street maintenance is a very common type of service provided by a lot of vendors in the Los Angeles County area. Vendors information are available online or in the other City's vendors list. The City should expand its request for RFP with the best intention to find the most reasonable cost of service that would result in the most economical way of spending public funds.</p>

City of Maywood
Schedule of Findings and Questioned Costs
Year ended June 30, 2018

MMLRF: Finding #2018-003

Compliance Reference	Section XXV of Measure M Guidelines states that, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdiction shall submit a Form M-Two, to Metro annually, by October 15 th (following the conclusion of the fiscal year)".
Condition	The City submitted its Expenditure Report (Form M-Two) on October 19, 2018, four (4) days after the due date set under the Guidelines.
Cause	The former staff were not properly trained in Measure M Guidelines, including all the spending regulations, compliance requirements, eligibility and reporting deadlines.
Effect	The City's Expenditure Plan (Form M-Two) was not submitted timely. The City was not in compliance with the Local Return Guidelines.
Recommendation	We recommend for the City to establish procedures to ensure that all reporting deadlines are met.
Management's Response	<p>We concur with the LACMTA Auditor's recommendation. Staff will be attending LACMTA workshops and trainings on all LACMTA programs. We believe with this required training, staff will better understand Measure M expenditure program eligibility, approval and deadline filings.</p> <p>Since this was the first year of Measure M funds and with no projects funded, City staff did not fully understand the compliance requirements to file an Expenditure report regardless if a project was funded. New City staff members are now aware of non-expenditure reporting, including deadlines. In addition, City staff is establishing internal procedures to ensure required LACMTA procedures are followed regarding reporting deadlines.</p>

EXIT CONFERENCE

An exit conference was held on December 21, 2018 with the City of Maywood representative. Those in attendance were:

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

City of Maywood representative:
Ofelia Mancera – Finance Director

Matters discussed:

Results of the audit disclosed instances of noncompliance with the Guidelines.

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

Ofelia Mancera – Finance Director



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