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**City of Montebello
Annual Financial Report of its**

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

**As of and for the Years Ended June 30, 2019 and 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 Montebello, California and the
Los Angeles County Metropolitan Transportation Authority**

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Montebello, California (the City) which comprise the Funds' balance sheets as of June 30, 2019 and 2018, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund as of June 30, 2019 and 2018, of the City of Montebello, 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 Montebello, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2019 and 2018, 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 October 31, 2019 on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

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

**Glendale, California
October 31, 2019**

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

		June 30	
		2019	2018
ASSETS			
Cash and investments		\$ <u>1,995,592</u>	\$ 676,746
	Total assets	\$ <u>1,995,592</u>	\$ <u>676,746</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ -	\$ -
	Total liabilities	\$ -	\$ -
Fund balance			
Restricted		1,995,592	676,746
	Total fund balance	<u>1,995,592</u>	<u>676,746</u>
	Total liabilities and fund balance	\$ <u>1,995,592</u>	\$ <u>676,746</u>

See notes to Funds financial statements.

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

	Years ended June 30	
	2019	2018
Revenues		
Proposition A	\$ 1,283,204	\$ 1,192,391
Investment income	35,642	14,423
Total revenues	1,318,846	1,206,814
Expenditures		
Various projects	-	1,000,000
Total expenditures	-	1,000,000
Excess of revenues over expenditures	1,318,846	206,814
Fund balance at beginning of year	676,746	469,932
Fund balance at end of year	\$ 1,995,592	\$ 676,746

See notes to Funds financial statements.

City of Montebello
Proposition A Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2019
(With Comparative Actuals for 2018)

Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
405-06	Prop A Exchange - Pasadena	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 1,000,000
	Total expenditures	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 1,000,000

See report of independent auditors.

City of Montebello
Proposition A Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2019

Date Acquired	Description	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
1992-93	Corp Yard Fac Exp - Colegrove Property	\$ 15,000	\$ -	\$ -	15,000
1992-95	Corp Yard Fac Exp - Colegrove Property	254,882	-	-	254,882
1992-93	10/60 Study - Light Rail Corridor	9,292	-	-	9,292
1997-97	Taylor Ranch Restrooms	44,473	-	-	44,473
1997-97	Flotilla Street Extension	309,857	-	-	309,857
1997-98	Communication Master Plan	30,975	-	-	30,975
1998-99	Commuter Rail Station	14,926	-	-	14,926
1997-98	Bus Stop Sign and Design	48,306	-	-	48,306
1999-00	Dial-A-Ride Radio System	4,162	-	-	4,162
2002-03	Transportation Data System Software	84,186	-	-	84,186
2002-03	Transit Facility Improvements	45,747	-	-	45,747
2003-04	Transit Facility Improvements	56,151	-	-	56,151
2004-05	Transit Facility Improvements	3,134	-	-	3,134
2007-08	Transit Facility Improvements	20,993	-	-	20,993
2011-12	CNG Bus Purchase Project	131,353	-	-	131,353
2011-12	Bus Stop Sign Replacement Project	24,469	-	-	24,469
2012-13	Metrolink Revitalization Project	135,000	-	-	135,000
2012-13	Bus Stop Improvements	25,130	-	-	25,130
2013-14	ADA Improvements at Metrolink Rail Station	11,568	-	-	11,568
Total \$		1,269,604	\$ -	\$ -	\$ 1,269,604

See report of independent auditors.

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

		June 30	
		2019	2018
ASSETS			
Cash and investments	\$	3,771,607	\$ 3,152,531
Accounts receivable		-	-
Total assets	\$	<u>3,771,607</u>	<u>\$ 3,152,531</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	315,165	\$ 400,165
Total liabilities		<u>315,165</u>	<u>400,165</u>
Fund balance			
Restricted		<u>3,456,442</u>	<u>2,752,366</u>
Total fund balance		<u>3,456,442</u>	<u>2,752,366</u>
Total liabilities and fund balance	\$	<u>3,771,607</u>	<u>\$ 3,152,531</u>

See notes to Funds financial statements.

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

	Years ended June 30	
	2019	2018
Revenues		
Proposition C	\$ 1,064,382	\$ 987,458
Refunds and reimbursements from other City Funds	115,973	-
Investment income	81,084	43,112
Total revenues	1,261,439	1,030,570
Expenditures		
Various projects	557,363	742,903
Total expenditures	557,363	742,903
Excess of revenues over expenditures	704,076	287,667
Fund balance at beginning of year	2,752,366	2,464,699
Fund balance at end of year	\$ 3,456,442	\$ 2,752,366

See notes to Funds financial statements.

City of Montebello
Proposition C Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2019
(With Comparative Actuals for 2018)

Project Code	Project Name	2019		Variance Positive (Negative)	2018 Actual
		LACMTA Budget	Actual		
140-01	Recreational Field Trips	\$ -	\$ -	\$ -	18,405
270-04	San Gabriel Valley COG Participation	-	-	-	26,796
270-05	Gateway Cities Council of Government	22,528	23,100	(572)	22,000
450-45	Beverly Blvd and Wilcox Ave - Concrete Intersection	307,954	2,434	305,520	9,798
450-47	Montebello Blvd Skin Patching - Lincoln to Paramount	-	-	-	1,459
450-48	Arterial Street Stripping	31,689	26,866	4,823	-
450-49	Maple Ave Street Improvements - Mines Ave to Washington Blvd	244,253	32,623	211,630	581,704
450-50	2017 Pavement Management System (PMS)	-	-	-	3,875
450-51	Concrete Program (ADA Access Ramps)	50,000	8,951	41,049	-
450-52	Beverly Blvd Street Improvements (21 to Harvard)	491,373	1,895	489,478	61,788
450-53	Beverly Blvd Traffic Synchronization Project from Bradshaw to Rea Dr	260,000	-	260,000	-
450-54	Montebello Blvd ATP (Lincoln to Paramount)	2,046,154	436,649	1,609,505	-
450-55	Via Campo and Wilcox Intersection	139,042	7,768	131,274	-
480-01	Direct Administration	50,000	17,077	32,923	17,078
Total expenditures		\$ 3,642,993	\$ 557,363	\$ 3,085,630	\$ 742,903

See report of independent auditors.

**City of Montebello
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets**

Date Acquired	Description	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
1995-96	Commuter Rail Station	\$ 787,874	\$ -	\$ -	\$ 787,874
1995-96	Telegraph Road Resurfacing	127,334	-	-	127,334
1996-97	Montebello Road Resurfacing	6,620	-	-	6,620
1996-97	Olympic Blvd Road Resurfacing	37,992	-	-	37,992
1995-96	Flotilla Street Extension	35,000	-	-	35,000
1996-97	Beverly/Montebello Phase Signal	40,345	-	-	40,345
1996-97	Street Structural Analysis	3,560	-	-	3,560
1996-00	Whittier Blvd Widening	924,924	-	-	924,924
1996-97	Town Center Drive	224,251	-	-	224,251
1997-00	Miscellaneous Street Improvements	301,016	-	-	301,016
1997-98	Pavement Management System	7,508	-	-	7,508
1998-99	Paramount/Montebello Intersection	3,000	-	-	3,000
2003-04	Street Survey Monuments	19,551	-	-	19,551
2003-04	Washington Blvd Widening	23,775	-	-	23,775
2006-07	Garfield Ave Traffic Signals	99,600	-	-	99,600
2007-08	Beverly Bridge	75,319	-	-	75,319
2007-08	Montebello Way Reconstruction	860,291	-	-	860,291
2007-08	Telegraph and Slauson Improvements	102,592	-	-	102,592
2007-08	Whittier Blvd Improvements	150,081	-	-	150,081
2008-09	Garfield/San Clemente Traffic Signal	172,188	-	-	172,188
2008-09	Garfield Ave Reconstruction	978,500	-	-	978,500
2008-09	MTB Way Traffic Signal	279,156	-	-	279,156
2009-10	Beverly Blvd Street Improvement	205,040	-	-	205,040
2009-10	Washington Blvd Street Improvement	871,632	-	-	871,632
2010-11	Beverly Blvd Widening Phase III	150,000	-	-	150,000
2011-12	Street Improvement Project	492,941	-	-	492,941
2012-13	Garfield Avenue Phase II	1,001,503	-	-	1,001,503
2012-13	Washington Blvd Phase II	339,505	-	-	339,505
2012-13	Transit Impact Mitigation	392,235	-	-	392,235
2013-14	Via Campo from Garfield to Wilcox	378,890	-	-	378,890
2013-14	Flotilla Street Improvement	475,240	-	-	475,240
2015-16	Beverly Boulevard and Wilcox Avenue	38,573	-	-	38,573
2015-16	Mines Ave Street Improvement - Montebello to Greenwood	289,990	-	-	289,990
2016-17	Maple Ave Street Improvement - Mines Ave to Washington Blvd	643,254	-	-	643,254
2017-18	Beverly Blvd Street Improvements (21st to Howard)	61,788	-	-	61,788
2018-19	Beverly Boulevard and Wilcox Avenue	-	2,434	-	2,434
2018-19	Maple Ave Street Improvement - Mines Ave to Washington Blvd	-	32,623	-	32,623
2018-19	Beverly Blvd Street Improvements (21st to Howard)	-	1,895	-	1,895
2018-19	Montebello Blvd ATP - Lincoln to Paramount	-	436,649	-	436,649
2018-19	Via Campo & Wilcox Intersection	-	7,768	-	7,768
Total		\$ 10,601,068	\$ 481,369	\$ -	\$ 11,082,437

See report of independent auditors.

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

		June 30	
		2019	2018
ASSETS			
Cash and investments		\$ <u>1,444,061</u>	\$ <u>1,342,451</u>
	Total assets	\$ <u>1,444,061</u>	\$ <u>1,342,451</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ <u>2,621</u>	\$ <u>222,193</u>
	Total liabilities	<u>2,621</u>	<u>222,193</u>
Fund balance			
Restricted		<u>1,441,440</u>	<u>1,120,258</u>
	Total fund balance	<u>1,441,440</u>	<u>1,120,258</u>
	Total liabilities and fund balance	\$ <u>1,444,061</u>	\$ <u>1,342,451</u>

See notes to Funds financial statements.

City of Montebello
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2019	2018
Revenues		
Measure R	\$ 798,516	\$ 740,793
Investment income	32,836	21,756
Total revenues	831,352	762,549
Expenditures		
Various projects	510,170	979,862
Total expenditures	510,170	979,862
Excess (deficiency) of revenues over expenditures	321,182	(217,313)
Fund balance at beginning of year	1,120,258	1,337,571
Fund balance at end of year	\$ 1,441,440	\$ 1,120,258

See notes to Funds financial statements.

City of Montebello
Measure R Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2019
(With Comparative Actuals for 2018)

Project Code	Project Name	2019		Variance Positive (Negative)	2018 Actual
		LACMTA Budget	Actual		
1.05	Arroyo Drive St Improvements - Astra to Rose Glen	\$ -	\$ -	\$ -	50,445
1.05	Bluff Road Street Improvements - Sycamore to Date	-	-	-	254,760
1.05	Various Street Improvements (Poplar /Lincoln /6th / Via Acosta /Via Nina)	-	-	-	43,228
1.05	Ellingbrook Ave Street Improvements - Firvale to Easterly City Limit	52,408	13,615	38,793	257,423
1.05	5th Street Improvements - Lincoln to Victoria	-	-	-	89,614
1.05	3rd Street Improvements - Beverly to Victoria	-	-	-	89,392
1.05	2nd Street Improvements - Beverly to Victoria	-	-	-	89,392
1.05	10th Street Improvements - Whittier to Cleveland	-	-	-	29,469
1.05	Marklan Ave St Improvements - Potrero Grande to Via Campo	-	-	-	29,763
1.05	Hay Street (Garfield to Sly City Limit)	120,802	8,460	112,342	-
1.05	Via Nina Street Improvements-(Hay to Via Val Verde)	135,553	111,345	24,208	-
1.05	Via Acosta Street Improvements -(Beverly to Garfield)	135,553	111,345	24,208	-
1.05	Montebello Blvd ATP - Lincoln to Paramount	156,271	29,060	127,211	-
1.05	Holger Drive (Victoria to Forbes)	284,370	19,994	264,376	-
1.05	Beverly Terrace (Maple to Park)	35,776	2,488	33,288	-
1.05	Arroyo Drive St Improvements - Astra to Rose Glen	81,928	-	81,928	-
1.05	Analysis Report Program	25,000	-	25,000	-
1.05	6th Street Improvements-(Madison to Cleveland)	15,471	12,322	3,149	-
1.05	Los Amigos Avenue (Weimar to Las Flores)	339,940	24,884	315,056	-
3.05	Pedestrian Safety Improvements on Garfield Ave at Via San Delarro	26,401	20,929	5,472	-
3.16	Citywide Sidewalk Pothole Repairs	47,443	47,443	-	19,312
3.16	Concrete Program ADA Access Ramps	6,169	4,130	2,039	-
4.55	Recreational Field Trips	25,000	23,941	1,059	-
7.10	Traffic Engineering Studies	50,000	38,447	11,553	13,028
8.10	San Gabriel Valley COG Participation	27,732	27,731	1	-
8.10	Administrative Costs	50,000	14,036	35,964	14,036
Total expenditures		\$ 1,615,817	\$ 510,170	\$ 1,105,647	\$ 979,862

See report of independent auditors.

**City of Montebello
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2019**

Date Acquired	Description	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
2010-11	Pavement and Concrete Improvement from Beverly Blvd	\$ 34,410	\$ -	\$ -	\$ 34,410
2011-12	Street Rehabilitation	76,065	-	-	76,065
2011-12	Maple Ave Rehabilitation	312,996	-	-	312,996
2011-12	Whittier/Montebello Blvd	104,829	-	-	104,829
2011-12	Eastmont School	33,346	-	-	33,346
2011-12	Wilcox La Merced	232,064	-	-	232,064
2012-13	Local Street Rehabilitation	196,755	-	-	196,755
2013-14	Rehabilitation of Bluff Road from UPRR to Whittier	249,329	-	-	249,329
2013-14	Beverly Blvd Striping Project	46,829	-	-	46,829
2013-14	ADA Accessibility from Greenwood Ave to Bluff Road	61,593	-	-	61,593
2014-15	Westmoreland Dr. Pavement and Concrete Rehabilitation	335,217	-	-	335,217
2014-15	Concrete Program ADA Access Ramps	117,844	-	-	117,844
2015-16	Alley Improvement Project	76,283	-	-	76,283
2016-17	Improvements - Via Corona to Madison	200,231	-	-	200,231
2016-17	5th Street Improvement Lincoln to Victoria	103,654	-	-	103,654
2016-17	3rd Street Improvement Beverly to Victoria	103,432	-	-	103,432
2016-17	2nd Street Improvement Beverly to Victoria	103,432	-	-	103,432
2016-17	10th Street Improvement Whittier to Cleveland	48,419	-	-	48,419
2016-17	Marklan Ave St Improvements - Potrero Grande to Via Campo	34,443	-	-	34,443
2016-17	Arroyo Drive St Improvements - Astra to Rose Glen	74,051	-	-	74,051
2017-18	Bluff Road St Improvements- Sycamore to Date	254,760	-	-	254,760
2017-18	6th Street Improvements(Madison to Cleveland)	2,334	-	-	2,334
2017-18	Via Acosta St Improvements - (Beverly to Garfield)	20,447	-	-	20,447
2017-18	Via Nina St. Improvements -(Hay to Via Val Verde)	20,447	-	-	20,447
2017-18	Ellingbrook Ave St Improvement (Firvale to Easterly City Limits)	257,423	-	-	257,423
2018-19	Concrete Program ADA Access Ramps	-	4,130	-	4,130
2018-19	6th Street Improvements(Madison to Cleveland)	-	12,322	-	12,322
2018-19	Via Acosta St Improvements - (Beverly to Garfield)	-	111,345	-	111,345
2018-19	Via Nina St. Improvements -(Hay to Via Val Verde)	-	111,345	-	111,345
2018-19	Ellingbrook Ave St Improvement (Firvale to Easterly City Limits)	-	13,615	-	13,615
2018-19	Montebello Boulevard ATP - Lincoln to Paramount	-	29,060	-	29,060
2018-19	Beverly Terrace (Maple to Park)	-	2,488	-	2,488
2018-19	Hay Street (Garfield to Sly City Limit)	-	8,460	-	8,460
2018-19	Holger Drive (Victoria to Forbes)	-	19,994	-	19,994
2018-19	Los Amigos Avenue (Weimar to Las Flores)	-	24,884	-	24,884
2018-19	Pedestrian Safety Improvements on Garfield Ave. at Via San Delarr	-	20,929	-	20,929
Total		\$ 3,100,633	\$ 358,572	\$ -	\$ 3,459,205

See report of independent auditors.

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

		June 30	
		2019	2018
ASSETS			
Cash and investments		\$ <u>882,076</u>	\$ 633,699
	Total assets	\$ <u>882,076</u>	\$ <u>633,699</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ <u>37,487</u>	\$ 1,865
	Total liabilities	<u>37,487</u>	<u>1,865</u>
Fund balance			
Restricted		<u>844,589</u>	<u>631,834</u>
	Total fund balance	<u>844,589</u>	<u>631,834</u>
	Total liabilities and fund balance	\$ <u>882,076</u>	\$ <u>633,699</u>

See notes to Funds financial statements.

City of Montebello
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2019	2018
Revenues		
Measure M	\$ 899,272	\$ 671,328
Investment income	18,225	4,536
Total revenues	917,497	675,864
Expenditures		
Various projects	704,742	44,030
Total expenditures	704,742	44,030
Excess of revenues over expenditures	212,755	631,834
Fund balance at beginning of year	631,834	-
Fund balance at end of year	\$ 844,589	\$ 631,834

See notes to Funds financial statements.

City of Montebello
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2019
(With Comparative Actuals for 2018)

Project Code	Project Name	2019			2018 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	6th Street Improvements - Madison to Cleveland	\$ 152,036	\$ 151,368	\$ 668	\$ 14,959
1.05	Lincoln Ave Street Improvements - Avenida La Merced to Rea Drive	165,586	154,722	10,864	16,554
1.05	Poplar Avenue Street Improvements - Beverly to Victoria	117,374	117,373	1	11,286
1.05	Weimar Way (Avenida La Merced to Los Amigos)	146,790	10,321	136,469	-
1.05	Madison Avenue (Taylor to 12th)	91,692	6,447	85,245	-
1.05	Beverly Terrace (Maple to Park)	47,524	3,484	44,040	-
1.05	Holger Drive (Victoria to Forbes)	2,190	154	2,036	-
1.05	Oakwood Avenue (montebello to Spruce)	136,037	10,451	125,586	-
1.05	Traffic Signal maintainence	100,000	85,072	14,928	-
1.05	Stripping and signage maintainence	100,000	76,059	23,941	-
1.05	Street Maintainence (pot hole Repairs)	200,000	73,959	126,041	-
1.05	Concrete program (sidewalk and ADA ramps)	57,810	14,101	43,709	-
8.10	Administrative Costs	1,231	1,231	-	1,231
Total expenditures		\$ 1,318,270	\$ 704,742	\$ 613,528	\$ 44,030

See report of independent auditors.

**City of Montebello
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2019**

Date Acquired	Description	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
2017-18	Poplar Avenue Street Improvements - (Beverly to Victoria)	\$ 11,286	\$ -	\$ -	\$ 11,286
2017-18	Lincoln Ave Street Improvements - (Avenida La Merced to Rea Drive)	16,554	-	-	16,554
2017-18	6th Street Improvements - (Madison to Cleveland)	14,959	-	-	14,959
2018-19	Poplar Avenue Street Improvements - (Beverly to Victoria)	-	117,373	-	117,373
2018-19	Lincoln Ave Street Improvements - (Avenida La Merced to Rea Drive)	-	154,722	-	154,722
2018-19	6th Street Improvements - (Madison to Cleveland)	-	151,368	-	151,368
2018-19	Beverly Terrace (Maple to Park)	-	3,484	-	3,484
2018-19	Holger Drive (Victoria to Forbes)	-	154	-	154
2018-19	Madison Avenue (Taylor to 12th)	-	6,447	-	6,447
2018-19	Oakwood Avenue (Montebello to Spruce)	-	10,451	-	10,451
2018-19	Weimar Way (Avenida La Merced to Los Amigos)	-	10,321	-	10,321
	Total	<u>\$ 42,799</u>	<u>\$ 454,320</u>	<u>\$ -</u>	<u>\$ 497,119</u>

See report of independent auditors.

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

		June 30	
		2019	2018
ASSETS			
Cash		\$ -	\$ -
	Total assets	\$ -	\$ -
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable		\$ -	\$ -
	Total liabilities	-	-
Fund balance			
Restricted		-	-
	Total fund balance	-	-
	Total liabilities and fund balance	\$ -	\$ -

See notes to Funds financial statements.

City of Montebello
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	
		2019	2018
Revenues			
Intergovernmental Allocations:			
Article 3	\$	84,112	\$ -
Total revenues		84,112	-
Expenditures			
Construction/Maintenance			
		84,112	-
Total expenditures		84,112	-
Excess of revenues over expenditures		-	-
Fund balance at beginning of year		-	-
Fund balance at end of year		\$ -	\$ -

See notes to Funds financial statements.

City of Montebello
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, 2019

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Local Allocations:					
Annual Concrete Repairs	2019	\$ 84,112	\$ 84,112	-	Ongoing
Totals		<u>\$ 84,112</u>	<u>\$ 84,112</u>	-	
Fund balance at beginning of year				-	
Fund balance at end of year				<u>\$ -</u>	

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, 2019 and 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 is restricted for projects approved by LACMTA.

Information regarding the fund balance reporting policy adopted by the City is described in the City of Montebello'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, 2019 and 2018, 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.

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

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 FUND EXCHANGE

As permitted by the Local Return Guidelines and as approved by LACMTA, the City may enter into agreements with various cities from time to time to exchange the City's general fund monies with other cities' uncommitted Proposition A monies. There were no fund exchanges during the year ended June 30, 2019.

In January 2018, the City entered into a fund trade agreement with the City of Pasadena to exchange \$1,000,000 of the City's uncommitted PALRF monies for \$750,000 General Fund monies or \$0.75 General Fund per \$1 of PALRF. The amounts received were recorded under PALRF for the year ended June 30, 2018.

NOTE 9 PROPOSITION C REFUNDS AND OTHER REIMBURSEMENTS FROM CITY FUNDS

During the year ended June 30, 2019, the City identified reimbursements of \$113,882 and refunds of \$2,091 related to prior years expenses from other City funds to the Proposition C fund. As permitted by LACMTA, the City transferred a total of \$115,973 to the Proposition C fund, and reported it as Refunds and Reimbursements from other City Funds in the Statements of Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2019.

NOTE 9 PROPOSITION C REFUNDS AND OTHER REIMBURSEMENTS FROM CITY FUNDS (CONTINUED)

The reimbursements comprised of the following amounts expended on the following projects:

Fiscal year	Project Code	Project Name	Amount
2016	460-01	Traffic signal improvements (Montebello Boulevard and Washington Boulevard)	\$ 100,462
2015	450-41	Washington Boulevard Phase II	7,950
2016	450-41	Washington Boulevard Phase II	4,050
2017	450-41	Washington Boulevard Phase II	1,420
			<u>\$ 113,882</u>

There were no reimbursements or refunds during the year ended June 30, 2018.

NOTE 10 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations spent for the years ended June 30, 2019 and 2018 consisted of the following:

	2019	2018
FY 2016/17 allocation	\$ <u>42,478</u>	\$ -
FY 2017/18 allocation	\$ <u>41,634</u>	\$ -
	<u>\$ 84,112</u>	<u>\$ -</u>

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, 2019 and 2018, the City has funds on reserve as follows:

	2019	2018
FY 2016/17 allocation	\$ -	\$ 42,478
FY 2017/18 allocation	-	41,634
FY 2018/19 allocation	<u>43,332</u>	-
	<u>\$ 43,332</u>	<u>\$ 84,112</u>

For FY 2018/19, any TDA Article 3 funds left on reserve for FY 2014/15 or prior, are subject to lapse if not claimed by the City by June 30, 2019. There were no funds that lapsed in FY 2018/19.

**NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED,
CONTINUED**

The City drew down \$84,112 in funds during the fiscal year ended June 30, 2019. The City did not drawdown any TDA Article 3 funds during the fiscal year ended June 30, 2018.

NOTE 12 SUBSEQUENT EVENTS

The City has evaluated subsequent events through October 31, 2019, 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 Montebello, 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 Montebello, California (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated October 31, 2019.

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 Fund's 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 audit, we did not identify any deficiencies in internal control that we considered 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

**Glendale, California
October 31, 2019**

COMPLIANCE SECTION

Report of Independent Auditors on Compliance

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

Report on Compliance

We have audited the compliance of the City of Montebello, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Fund 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, 2019.

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 Montebello, California, complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2019.



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 "Vagney & Company LLP". The signature is written in a cursive, flowing style.

Glendale, California
October 31, 2019

**City of Montebello
Compliance Matrix
Year ended June 30, 2019**

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		N/A. There were no expenditures in FY 2018/19
4. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A)			X		N/A. There were no expenditures in FY 2018/19
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.			X		N/A. There were no expenditures in FY 2018/19
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 Montebello
Compliance Matrix
Year ended June 30, 2019**

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				
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 Montebello
Compliance Matrix
Year ended June 30, 2019**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. 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				
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 Montebello
Compliance Matrix
Year ended June 30, 2019**

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 Montebello
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

There were no findings noted.

EXIT CONFERENCE

An exit conference was held on October 29, 2019 with the City of Montebello representative. Those in attendance were:

Vasquez and Company LLP representative:
Cristy Canieda - Partner

City of Montebello representatives:
Candice Huot – Accounting Manager

Matters discussed:

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

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

Robert Mescher – Director of Finance
Candice Huot – Accounting Manager



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