



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS
APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES
TO THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS
APPLICABLE TO MEASURE M ORDINANCE
AND MEASURE M LOCAL RETURN GUIDELINES

TO THE LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund Consolidated Audit Report
Fiscal Year Ended June 30, 2020**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE AND MEASURE M LOCAL RETURN GUIDELINES	1
Summary of Compliance Findings	4
Schedule 1 – Summary of Audit Results	5
Schedule 2 – Schedule of Findings and Questioned Costs	18

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MEASURE M ORDINANCE AND
MEASURE M LOCAL RETURN GUIDELINES**

**To: Board of Directors of the Los Angeles County Metropolitan Transportation Authority
and Measure M Independent Taxpayer Oversight Committee**

Report on Compliance

We have audited the compliance of the thirty-nine (39) Cities identified in Schedule 1, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by LACMTA and the respective Cities for the year ended June 30, 2020 (collectively, the Requirements). Compliance with the above noted Guidelines and Requirements by the Cities are identified in the accompanying Summary of Compliance Findings, Schedule 1 and Schedule 2.

Management's Responsibility

Compliance with the Guidelines and Requirements is the responsibility of the respective management of the Cities.

Auditor's Responsibility

Our responsibility is to express opinions on the Cities' compliance with the Guidelines and Requirements referred to above based on our audits. We conducted our audits of compliance 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of requirements referred to above that could have a direct and material effect on the Measure M Local Return program occurred. An audit includes examining, on a test basis, evidence about each City's compliance with the Guidelines and Requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance. However, our audits do not provide a legal determination of each City's compliance with the Guidelines and Requirements.



Opinion

In our opinion, the Cities complied, in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and Requirements and which are described in the accompanying Summary of Audit Results (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2020-001 through #2020-011. Our opinion is not modified with respect to these matters.

Responses by the Cities to the noncompliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' 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

The management of each City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines and Requirements referred to above. In planning and performing our audits of compliance, we considered each City's internal control over compliance with the Guidelines and Requirements that could have a direct and material effect on the Measure M Local Return program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guidelines and Requirements, 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 each 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2020-004 and #2020-009, that we consider to be significant deficiencies.



The Cities' responses to the findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' 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 on internal control over compliance and the results of that testing based on the requirements of the Guidelines and Requirements. Accordingly, this report is not suitable for any other purpose.

Vasquez & Company LLP

**Glendale, California
December 31, 2020**

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Compliance Findings
Fiscal Year Ended June 30, 2020**

The audits of the 39 cities identified in Schedule 1 have resulted in 11 findings. The table below summarizes those findings:

Finding	# of Findings	Responsible Cities/ Finding No. Reference	Questioned Costs	Resolved During the Audit
Funds were expended for transportation purposes.	1	South El Monte (See Finding #2020-009)	\$ 507	\$ -
Funds were expended with LACMTA's approval.	5	Baldwin Park (See Finding #2020-002) Bell Gardens (See Finding #2020-003) Calabasas (See Finding #2020-005) Carson (See Finding #2020-006) West Hollywood (See Finding #2020-010)	52,500 14,300 50,801 569,449 281,596	52,500 14,300 50,801 569,449 281,596
Expenditure Plan (Form M-One) was submitted timely.	5	Azusa (See Finding #2020-001) Bell Gardens (See Finding #2020-004) Industry (See Finding #2020-007) Maywood (See Finding #2020-008) West Hollywood (See Finding #2020-011)	None None None None None	None None None None None
Total Findings and Questioned Costs	11		\$ 969,153	\$ 968,646

Details of the findings are in Schedule 2.

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020**

Compliance Area Tested	Agoura Hills	Azusa	Baldwin Park
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	See Finding #2020-002
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-001	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Bell	Bell Gardens	Beverly Hills
Funds were expended for transportation purposes.	Compliant	Compliant	Not Applicable
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Not Applicable
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	See Finding #2020-003	Not Applicable
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-004	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)**

Compliance Area Tested	Calabasas	Carson	Commerce
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	See Finding #2020-005	See Finding #2020-006	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)**

Compliance Area Tested	Compton	Cudahy	Culver City
Funds were expended for transportation purposes.	Compliant	Not Applicable	Not Applicable
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Not Applicable
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Not Applicable
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Not Applicable	Not Applicable
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	El Monte	Gardena	Hawthorne
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)**

Compliance Area Tested	Hidden Hills	Huntington Park	Industry
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	See Finding #2020-007
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Inglewood	Irwindale	La Puente
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Lawndale	Lynwood	Malibu
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Not Applicable	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Maywood	Montebello	Monterey Park
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Not Applicable	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	See Finding #2020-008	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Compliant	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Pico Rivera	Pomona	Rosemead
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	San Fernando	Santa Fe Springs	Santa Monica
Funds were expended for transportation purposes.	Compliant	Not Applicable	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Not Applicable	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	South El Monte	South Gate	Vernon
Funds were expended for transportation purposes.	See Finding #2020-009	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Summary of Audit Results
Fiscal Year Ended June 30, 2020
(Continued)

Compliance Area Tested	Walnut	West Hollywood	Westlake Village
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	See Finding #2020-010	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-011	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020**

Finding #2020-001	City of Azusa
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	The City submitted its Expenditure Plan (Form M-One) on August 15, 2019, 14 days after the due date of August 1, 2019.
Cause	The City engaged a consultant to complete the Measure M Expenditure Plan (Form M-One) after staff was out for an extended sick leave absence. The vendor did not file the documentation timely.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
Management's Response	Management will ensure that the Expenditure Plan (Form M-One) is submitted in a timely manner by the due date of August 1.
Finding Corrected During the Audit	The City subsequently submitted the Expenditure Plan (Form M-One). No follow up is required.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-002	City of Baldwin Park
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	The City claimed expenditures under MMLRF Project code 01-006 Complete Streets - Maine Phase II, totaling \$52,500, with no prior approval from LACMTA.
Cause	The City continued transitioning of various reporting requirements among several staff members and departments throughout this year. Although the coordination among the various departments has greatly improved, staff is still adjusting to the newly implemented procedures that resulted from the previous year's findings. A combination of new staff positions and new procedures led to an oversight on the timely completion of the forms. This has been addressed and discussed with staff and should not re-occur moving forward.
Effect	The City claimed expenditures totaling \$52,500 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.
Recommendation	We recommend that the City establish procedures and internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-002 (Continued)	City of Baldwin Park
Management's Response	Procedures implemented in the most recent audit year have addressed hurdles in the preparation and submittal of the appropriate information in order to meet compliance with Measure M Local Return Program Guidelines. Further, staff has been trained in the use of LACMTA's new Local Return Management System (LRMS) portal "Smartsheet" system which is expected to greatly improve the City's reporting submittal requirements. In addition, the City implemented a two-step verification process that includes both Finance and Public Works department staff obtaining verification of approval by LACMTA before issuing any checks and expending any funds for the projects.
Finding Corrected During the Audit	LACMTA Program Manager granted a retroactive approval of projects' budget on October 22, 2020. No follow up is required.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-003	City of Bell Gardens
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures for MMLRF project code 1.05, Measure M Slurry Seal Zone 1 Project, totaling \$14,300, with no prior approval from LACMTA:</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of said project on September 24, 2020.</p>
Cause	The finding was caused by an oversight by City staff.
Effect	The City claimed expenditures totaling \$14,300 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.
Recommendation	We recommend the City establish procedures and implement internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
Management's Response	The City is going to reevaluate the processes that are in place to ensure forms are submitted to LACMTA timely.
Finding Corrected During the Audit	LACMTA Program Manager granted retroactive approval of said project on September 24, 2020. No additional follow up is required.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-004	City of Bell Gardens
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	<p>The City submitted its Expenditure Plan (Form M-One) on August 21, 2019, 20 days after the due date of August 1, 2019.</p> <p>This is a repeat finding from prior year's audit.</p>
Cause	<p>The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.</p>
Effect	<p>The City was not in compliance with the reporting requirements of the Local Return Guidelines.</p>
Recommendation	<p>We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1st as required by the Guidelines.</p>
Management's Response	<p>The City is going to reevaluate the processes that are in place to ensure forms are submitted to LACMTA timely.</p>
Finding Corrected During the Audit	<p>The City subsequently submitted the form. No follow up is required.</p>

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-005	City of Calabasas
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures for the following MMLRF projects with no prior approval from LACMTA.</p> <ol style="list-style-type: none"> 1) Project code 1.05, Mulholland Gap Closure, totaling \$4,721; 2) Project code 1.05, Rondell Park & Ride, totaling \$12,655; and 3) Project code 1.05, SB743 Implementation, totaling \$33,425. <p>Although we found the expenditures to be eligible for Local Return funding, the projects had no prior approval from LACMTA.</p>
Cause	<p>There was a misunderstanding of the procedure among the staff. Staff was under the impression that because the funds were already in the City account, they could be expended as long as it was for an eligible project under the guidelines - as opposed to requesting a budget approval from LACMTA prior to incurring the expenditures.</p>
Effect	<p>The City claimed expenditures totaling \$50,801 without prior approval from LACMTA. Lack of prior approvals results in non-compliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>

**Los Angeles County Metropolitan Transportation Authority
 Measure M Local Return Fund
 Schedule of Findings and Questioned Costs
 Fiscal Year Ended June 30, 2020
 (Continued)**

Finding #2020-005 (Continued)	City of Calabasas
Recommendation	We recommend the City establish procedures to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
Management's Response	Staff has received clear instructions that an expenditure plan must be submitted to LACMTA before claiming expenditure for each project. Expenditure may begin once LACMTA grants an approval.
Finding Corrected During the Audit	LACMTA Program Manager granted a retroactive approval of said project on November 19, 2020.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-006	City of Carson
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures for Measure M's share in the Measure M and R Bond Debt Service Payment, totaling \$569,449 with no prior approval from LACMTA.</p> <p>The projects to be financed by the bond proceeds were approved when the bonds were issued in October 2019, however, the City is still required to include the annual budgeted amounts of debt service in Form M-One and have it approved by LACMTA.</p>
Cause	<p>The City was not aware that Bond Debt Service payments require annual approval from LACMTA as it is the City's first time issuing Measure M and R Bonds, which are payable from MRLRF and MMLRF funds. However, all future Bond Debt Service payments shall be reported and/or budgeted accordingly.</p>
Effect	<p>The City claimed expenditures totaling \$569,449 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>
Recommendation	<p>We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.</p>

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-006 (Continued)	City of Carson
Management's Response	<p>The City will obtain LACMTA approval prior to spending on LACMTA funded projects.</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on October 15, 2020.</p>
Findings Resolved During the Audit	LACMTA Program Manager granted retroactive approval of said project on October 15, 2020. No additional follow up is required.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-007	City of Industry
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	The City submitted its Expenditure Plan (Form M-One) on August 14, 2019, 13 days after the due date of August 1, 2019.
Cause	The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 st as required by the Guidelines.
Management's Response	The City has since put in extra procedures to ensure timely reporting to comply with the requirements and the FY 2021 budget was filed on time.
Finding Corrected During the Audit	The City subsequently submitted the form. No follow up is required.

**Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)**

Finding #2020-008	City of Maywood
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	The City submitted its Expenditure Plan (Form M-One) on August 20, 2019, 19 days after the due date of August 1, 2019.
Cause	The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 st as required by the Guidelines.
Management's Response	Management will ensure that the Expenditure Plan (Form M-One) is submitted in a timely manner by the due date of August 1.
Finding Corrected During the Audit	The City subsequently submitted the form. No follow up is required.

**Los Angeles County Metropolitan Transportation Authority
 Measure M Local Return Fund
 Schedule of Findings and Questioned Costs
 Fiscal Year Ended June 30, 2020
 (Continued)**

Finding #2020-009	City of South El Monte
Compliance Reference	<p>Measure M Local Return Guidelines Section XXV Program Objectives states that, “The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to Jurisdictions may be used for purposes other than transportation purposes”. Also, Section XXV, Administrative, Audit Requirements states that, “It is the jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.</p> <p>On February 14, 2019, the LACMTA Local Return Program Manager re-affirmed the memo issued on April 29, 2014 addressed to all Jurisdictions to provide clarification for adequate salary and related costs documentations for the audit of the Local Return funds.</p> <p>Below are recommendations to ensure that jurisdictions have adequate evidence to support its compliance with the Local Return Guidelines:</p> <ol style="list-style-type: none"> 1. All hours are required to be documented. Develop and/or maintain a system that will keep track of actual hours worked by employees whose salaries and benefits were charged to the LACMTA project. Expenditures claimed based solely on budgeted amounts is not considered adequate documentation because it does not reflect actual expenditures incurred on the LACMTA project and do not provide adequate evidence that labor hours charged has transit/transportation purpose. The record of hours worked must: a) identify the LACMTA project, b) be authenticated by the employee and approved by his/her immediate supervisor, and c) tie to hours reported in the payroll records. 2. Provide adequate support for indirect costs. For indirect expenditures allocated to LACMTA projects, develop and/or maintain a system that distributes allowable expenditures to projects based on causal or beneficial relationships. Expenditures cannot be claimed on LACMTA project if the expenditures are not allowable (i.e., not transportation or transit related) or not allocable to the LACMTA project (i.e., LACMTA project did not cause the incurrence of the expenditure or LACMTA project did not benefit from the expenditure).

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-009 (Continued)	City of South El Monte
Condition	<p>The City claimed salaries and benefits expenditures under project code 8.10, Administration, of \$507 which is based on budget and are not supported by actual time charges.</p> <p>This is a repeat finding from prior year's audit.</p>
Cause	<p>In fiscal year 2020, the City made a switch from predetermined allocation per City adopted budget to timesheet. However, due to the year being a transition year, HR and Payroll setup had to be reevaluated numerous times, as the City encountered situations in which only salaries appeared in special revenue funds without benefits or overhead.</p>
Effect	<p>If the labor charges are not supported by actual time charges and documented time study or indirect cost allocation plan, the costs are considered unallowable and the Guidelines require the City to return the money to the Local Return Funds.</p>
Recommendation	<p>We recommend that the City provide documentation to support the salaries and benefit charges to MMLRF. If these documents are not provided, the City is required to reimburse its MMLRF account the amount of \$507.</p> <p>In addition, we recommend the City establish controls to ensure that the salaries and benefits charged to the Local Return funds are adequately supported by timesheets, payroll registers, personnel action forms with job descriptions, or similar documentation as required by the Guidelines.</p>
Management's Response	<p>In order to systematically irradicate any unnecessary complexity and confusion regarding reimbursable labor cost going forward, the City intends to accomplish the following:</p> <ol style="list-style-type: none"> 1. Complete the cost and fee study currently being conducted by NBS, who were selected through a formal RFP process. Once the study is complete, the fully burdened hourly rate of each employee will be known. 2. Default all City employee labor hours to the General Fund. 3. Require all City employee to track labor hours spent working on special revenue fund projects on timesheets. 4. Have the special revenue funds reimburse the General Fund based on employee's fully burdened hourly rate multiplied by the actual hours worked per timesheet.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-010	City of West Hollywood
Compliance Reference	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
Condition	<p>The City claimed expenditures for MMLRF Project code 7.90 Early Project Delivery Strategy (Funding Studies) – Northern Extension Crenshaw, totaling \$281,596, with no prior approval from LACMTA.</p> <p>This project was previously approved in the prior year, however, the City is still required to submit Form M-One every year, carry over the budget, and have it approved by LACMTA.</p>
Cause	The finding was caused by staff turnover. The above project was not included as a carryover project in the Expenditure Plan (Form M-One) submitted to LACMTA for approval for the projects that will be funded with Measure M.
Effect	<p>The City claimed expenditures totaling \$281,596 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA; the \$281,596 does not need to be returned.</p> <p>This project was previously approved in prior year and the City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on September 22, 2020.</p>
Recommendation	We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-010 (Continued)	City of West Hollywood
Management's Response	<p>The City will obtain LACMTA approval prior to spending LACMTA funded projects.</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on September 22, 2020.</p>
Finding Corrected During the Audit	<p>LACMTA Program Manager granted retroactive approval of the said project on September 22, 2020. No additional follow up is required and the \$281,596 does not need to be returned.</p>

Los Angeles County Metropolitan Transportation Authority
Measure M Local Return Fund
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2020
(Continued)

Finding #2020-011	City of West Hollywood
Compliance Reference	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
Condition	The City submitted its Expenditure Plan (Form M-One) on October 9, 2019, 69 days after the due date of August 1, 2019.
Cause	The Form M-One report was submitted late due to staff turnover.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 st as required by the Guidelines.
Management's Response	City staff assigned to complete the Form M-One has been advised of the August 1 st deadline to submit the report. In addition, an outlook calendar reminder will be set up on the calendar of all program managers to ensure that all reports are completed and submitted to the LACMTA in a timely fashion.
Finding Corrected During the Audit	The City subsequently submitted the form. No follow up is required.



www.vasquezcpa.com

Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit [rsmus.com/about us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.