

***CITY OF WEST COVINA
ANNUAL FINANCIAL REPORT OF THE
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
FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

CITY OF WEST COVINA
TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditor’s Report	1
Proposition A Local Return Fund:	
Financial Statements:	
Balance Sheets	3
Statements of Revenues, Expenditures and Changes in Fund Balance	4
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	5
Schedule of Capital Assets	6
Proposition C Local Return Fund:	
Financial Statements:	
Balance Sheets	7
Statements of Revenues, Expenditures and Changes in Fund Balance	8
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	9
Schedule of Capital Assets	10
Measure R Local Return Fund:	
Financial Statements:	
Balance Sheets	11
Statements of Revenues, Expenditures and Changes in Fund Balance	12
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	13
Schedule of Capital Assets	14
Measure M Local Return Fund:	
Financial Statements:	
Balance Sheets	15
Statements of Revenues, Expenditures and Changes in Fund Balance	16
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	17
Schedule of Capital Assets	18
Transportation Development Act Article 3 Fund:	
Financial Statements:	
Balance Sheets	19
Statements of Revenues, Expenditures and Changes in Fund Balance	20
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	21
Notes to Financial Statements	22
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28

CITY OF WEST COVINA
TABLE OF CONTENTS
(Continued)

COMPLIANCE SECTION

Independent Auditor’s Report on Compliance	30
Compliance Matrix	32
Schedule of Findings and Recommendations	39
EXIT CONFERENCE	40

FINANCIAL SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of West Covina, 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 (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds), of the City of West Covina, California (the City) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F of the City of West Covina, California, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F of the City and do not purport to, and do not, present fairly the financial position of the City of West Covina, California, as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

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

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Funds' financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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' financial statements or to the Funds' 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' financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated November 18, 2021, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 18, 2021

CITY OF WEST COVINA
PROPOSITION A LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2021	2020
ASSETS		
Cash and investments	\$ 498,668	\$ -
Total assets	\$ 498,668	\$ -
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 6,000
Due to General Fund	-	30,739
Total liabilities	-	36,739
 Fund Balance		
Restricted	498,668	-
Unassigned	-	(36,739)
Total fund balance	498,668	(36,739)
Total liabilities and fund balance	\$ 498,668	\$ -

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
PROPOSITION A LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	<u>2021</u>	<u>2020</u>
REVENUES		
Proposition A	\$ 2,175,306	\$ 2,102,971
Proposition A Discretionary Incentive Grant (Note 8)	203,806	-
Interest Income	<u>900</u>	<u>-</u>
Total revenues	<u>2,380,012</u>	<u>2,102,971</u>
 EXPENDITURES		
Various projects	<u>1,844,605</u>	<u>2,255,247</u>
Total expenditures	<u>1,844,605</u>	<u>2,255,247</u>
 Excess (deficiency) of revenues over expenditures	535,407	(152,276)
 Fund balance at beginning of year	<u>(36,739)</u>	<u>115,537</u>
 Fund balance at end of year	<u>\$ 498,668</u>	<u>\$ (36,739)</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
410	Fund Exchange with Foothill Transit (Note 9)	\$ 2,200,000	\$ 1,800,000	\$ 400,000	\$ 2,200,000
470	Transportation Planning - SGVCOG	40,000	38,667	1,333	47,309
610	Administration	5,938	5,938	-	5,938
480-02	Administration	-	-	-	2,000
	Total expenditures	<u>\$ 2,245,938</u>	<u>\$ 1,844,605</u>	<u>\$ 401,333</u>	<u>\$ 2,255,247</u>

See accompanying independent auditor's report.

CITY OF WEST COVINA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
June 2016	El Dorado Elite Bus	\$ 106,297	\$ -	\$ -	\$ 106,297
June 2016	El Dorado Elite Bus	106,297	-	-	106,297
January 2017	Propane - Fueled Shuttle Bus	23,758	-	-	23,758
March 2017	Propane - Fueled Shuttle Bus	23,757	-	-	23,757
Total		\$ 260,109	\$ -	\$ -	\$ 260,109

See accompanying independent auditor's report.

CITY OF WEST COVINA
PROPOSITION C LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2021	2020 as restated
ASSETS		
Cash and investments (Note 10)	\$ 1,760,318	\$ 1,780,096
Total assets	\$ 1,760,318	\$ 1,780,096
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 217,748	\$ 202,227
Accrued salaries and benefits	2,064	3,479
Total liabilities	219,812	205,706
Fund Balance		
Restricted	1,540,506	1,574,390
Total fund balance	1,540,506	1,574,390
Total liabilities and fund balance	\$ 1,760,318	\$ 1,780,096

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
PROPOSITION C LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2021	2020
		as restated
REVENUES		
Proposition C	\$ 1,804,338	\$ 1,744,419
Interest income (Note 10)	6,302	23,358
Total revenues	1,810,640	1,767,777
EXPENDITURES		
Various projects	1,844,524	1,837,764
Total expenditures	1,844,524	1,837,764
Deficiency of revenues over expenditures	(33,884)	(69,987)
Fund balance at beginning of year, as restated	1,574,390	1,644,377
Fund balance at end of year	\$ 1,540,506	\$ 1,574,390

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual as restated
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
106	West Covina Shuttle	\$ 290,623	\$ 311,249	\$ (20,626)	\$ 261,016
106	West Covina Shuttle - Green Line Supplemental	342,200	334,851	7,349	344,838
107	Elderly and Disabled Dial-A-Ride	459,534	255,344	204,190	315,139
155	Recreation Event Transit	80,000	506	79,494	23,641
170	Bus Shelters	75,000	66,181	8,819	61,396
180	Transportation Planning	70,940	25,520	45,420	40,514
205	21017 - Bus Stop Enhancement Program - Annual Preogram	10,000	-	10,000	-
620	Administration	228,746	228,084	662	221,762
715	19006 - Azusa Avenue Street Rehabilitation (North-South City Limit to Vine)	200,000	-	200,000	-
765	Pavement Management System	665,000	622,789	42,211	569,270
440-17	SP18005 Major Street Rehabilitation - Azusa Avenue (I10 to N City Limits)	-	-	-	188
Total expenditures		\$ <u>2,422,043</u>	\$ <u>1,844,524</u>	\$ <u>577,519</u>	\$ <u>1,837,764</u>

See accompanying independent auditor's report.

CITY OF WEST COVINA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

CITY OF WEST COVINA
MEASURE R LOCAL RETURN FUND
BALANCE SHEETS
June 30

	<u>2021</u>	<u>2020</u> as restated
ASSETS		
Cash and investments (Note 10)	\$ 3,370,469	\$ 2,975,394
Total assets	<u>\$ 3,370,469</u>	<u>\$ 2,975,394</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 54,168	\$ 61,298
Retention payable	4,890	3,998
Accrued salaries and benefits	890	2,094
Total liabilities	<u>59,948</u>	<u>67,390</u>
Fund Balance		
Restricted	<u>3,310,521</u>	<u>2,908,004</u>
Total fund balance	<u>3,310,521</u>	<u>2,908,004</u>
Total liabilities and fund balance	<u>\$ 3,370,469</u>	<u>\$ 2,975,394</u>

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
MEASURE R LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	<u>2021</u>	<u>2020</u> as restated
REVENUES		
Measure R	\$ 1,355,129	\$ 1,306,443
Interest income (Note 10)	<u>10,790</u>	<u>35,237</u>
Total revenues	<u>1,365,919</u>	<u>1,341,680</u>
EXPENDITURES		
Various projects	<u>963,402</u>	<u>939,859</u>
Total expenditures	<u>963,402</u>	<u>939,859</u>
Excess of revenues over expenditures	402,517	401,821
Fund balance at beginning of year, as restated	<u>2,908,004</u>	<u>2,506,183</u>
Fund balance at end of year	<u>\$ 3,310,521</u>	<u>\$ 2,908,004</u>

The accompanying notes are an integral part of the financial statements

CITY OF WEST COVINA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual as restated
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
120	West Covina Shuttle (Fixed Route)	\$ 162,500	\$ 162,500	\$ -	\$ 145,052
135	Dial-A-Ride - Uber	100,000	-	100,000	-
301	20040 - La Puente Road/Forecastle - New Traffic Signal Installation	1	-	1	-
301	21006 - La Puente Road/Forecastle - New Traffic Signal	200,000	97,797	102,203	-
302	21019 - Street Lights LED's Conversion Program	300,000	-	300,000	-
303	21023 - Video Detection Citywide Administration	50,000	-	50,000	-
630	18030 - Annual Concrete Repairs	143,712	139,719	3,993	123,106
705	Street Sweeping	1	-	1	-
705	19006 - Major Street Rehabilitation (Azusa Avenue - South of S. Garvey)	583,190	561,665	21,525	557,616
715	21016 - Median Landscaping	100,000	1,721	98,279	1,463
755	19026 - Citywide School Crosswalk Improvements	500,000	-	500,000	-
805	21007 - Lark Ellen and Grovecenter - Pedestrian Improvements	1	-	1	1,000
806	SP18029 Installation of Traffic Control Devices	52,616	-	52,616	-
2.19	19024 - Flashing Beacons	-	-	-	30,000
3.15		-	-	-	81,622
	Total expenditures	\$ 2,192,021	\$ 963,402	\$ 1,228,619	\$ 939,859

See accompanying independent auditor's report.

CITY OF WEST COVINA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

CITY OF WEST COVINA
MEASURE M LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2021	2020 as restated
ASSETS		
Cash and investments (Note 10)	\$ 4,050,144	\$ 3,034,801
Total assets	\$ 4,050,144	\$ 3,034,801
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,948	\$ 412,722
Retention payable	-	61,907
Wages payable	105	1,022
Total liabilities	2,053	475,651
Fund Balance		
Restricted	4,048,092	2,559,150
Total fund balance	4,048,092	2,559,150
Total liabilities and fund balance	\$ 4,050,144	3,034,801

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
MEASURE M LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u> as restated
REVENUES		
Measure M	\$ 1,535,411	\$ 1,470,650
Interest income (Note 10)	<u>11,636</u>	<u>40,517</u>
Total revenues	<u>1,547,048</u>	<u>1,511,167</u>
EXPENDITURES		
Various projects	<u>58,106</u>	<u>1,474,516</u>
Total expenditures	<u>58,106</u>	<u>1,474,516</u>
Excess of revenues over expenditures	1,488,942	36,651
Fund balance at beginning of year, restated	<u>2,559,150</u>	<u>2,522,499</u>
Fund balance at end of year	\$ <u><u>4,048,092</u></u>	\$ <u><u>2,559,150</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF WEST COVINA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual as restated
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
301	18040 - Traffic Signal at Cameron/Barranca	\$ 450,000	\$ 19,798	\$ 430,202	\$ -
640	Administration	78,423	11,620	66,803	69,642
705	18032 - Residential Street Rehabilitation	200,000	26,688	173,312	1,285,544
705	19031 - Residential Street Rehabilitation - Annual Program	1	-	1	189
705	20011 - Residential Street Rehabilitation - Annual Program	500,000	-	500,000	-
715	19006 - Azusa Ave Street Rehabilitation (North City Limit to Vine)	298,000	-	298,000	-
805	19027 - Bicycle and Pedestrian Improvements	58,509	-	58,509	119,018
806	20041 - Annual Sidewalk and Curb and Gutter Repair	180,000	-	180,000	123
Total expenditures		\$ <u>1,764,933</u>	\$ <u>58,106</u>	\$ <u>1,706,827</u>	<u>1,474,516</u>

See accompanying independent auditor's report.

CITY OF WEST COVINA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2021

Date Acquired	Description	Balance 7/1/2021	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

CITY OF WEST COVINA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)
BALANCE SHEETS
June 30

	2021	2020
ASSETS		
Due from Metro	\$ -	\$ 994
Total assets	\$ -	\$ 994
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to General Fund	\$ 60,456	\$ 61,450
Total liabilities	60,456	61,450
 Fund Balance		
Unassigned	(60,456)	(60,456)
Total fund balance	(60,456)	(60,456)
Total liabilities and fund balance	\$ -	\$ 994

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2021	2020
REVENUES		
TDA 3	\$ -	\$ 994
Total revenues	-	994
EXPENDITURES		
Sidewalk Construction and Repairs at Various Locations, Citywide	-	994
Total expenditures	-	994
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	(60,456)	(60,456)
Fund balance at end of year	\$ (60,456)	\$ (60,456)

The accompanying notes are an integral part of the financial statements.

CITY OF WEST COVINA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
ALLOCATION FOR SPECIFIC PROJECTS
For the Fiscal Year Ended June 30, 2021

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local allocations					
Sidewalk Construction and Repairs at Various Locations, Citywide	2020-21	\$ -	\$ -	\$ -	
Total		<u>\$ -</u>	<u>\$ -</u>	-	
Fund balance at beginning of year				<u>(60,456)</u>	
Fund balance at end of year				<u>\$ (60,456)</u>	

See accompanying independent auditor's report.

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The operations of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and 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 a county-wide ½ cent 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 a county-wide ½ cent 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

PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Special Revenue Funds are reported on the 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. The statement of revenues, expenditures and changes in fund balance 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 presented in accordance with accounting principles generally accepted in the United States of America.

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

In accordance with Government Accounting Standard Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2016, 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 investment at fair value and recognizes unrealized gain (loss) on investments.

Refer to City's 2021 Comprehensive Annual Financial Report for detailed disclosures regarding the City's investment policy and fair value measurement.

Fund Balance Reporting

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 resources reported in governmental funds.

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

- Restricted – Amounts that are constrained for specific purpose, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The uses of the funds' remaining fund balances are restricted for projects approved by Los Angeles County Metropolitan Transportation Authority (Metro).
- Unassigned – The unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted to those purposes.

Information regarding the fund balance reporting policy adopted by the City is described in Note 1 to the City's Comprehensive Annual Financial Report.

NOTE 2 – ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines, Transportation Development Act Article 3 and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 3 – PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. 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's cash and investment balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash and investments account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average balances to the total of the pooled cash and investments.

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 8 – PROPOSITION A DISCRETIONARY INCENTIVE GRANTS - PALRF

The City entered into various Memorandum of Understanding (MOU) agreements with Metro to receive Proposition A Discretionary Incentive Grants for participating in the Consolidated National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2021 and 2020 consisted of the following:

Agreement Date	Period	NTD Voluntary Reporting	MOU Amount	Amount Received	
				2021	2020
July 1, 2019	7/1/19 - 6/30/23	FY 2016-17	\$ 102,137	\$ 102,137	\$ -
May 1, 2020	5/1/20 – 6/30/23	FY 2017-18	\$ 101,669	101,669	-
		Total	\$	<u>203,806</u>	<u>\$ -</u>

The Proposition A Discretionary Incentive Grants were recorded under PALRF.

NOTE 9 – PROPOSITION A FUND EXCHANGES - PALRF

In fiscal year 2020-21, the City entered into an agreement on October 6, 2020 with Foothill Transit to exchange \$1 of Proposition A Local Return Funds for every \$.75 (or 75 cents) of General Fund. Accordingly, the City received \$1,350,000 of Foothill Transit’s General Fund on December 3, 2020 and assigned \$1,800,000 of its Proposition A Local Return Funds to Foothill Transit on December 2, 2020.

In fiscal year 2019-20, the City entered into an agreement on July 1, 2019 with Foothill Transit to exchange \$1 of Proposition A Local Return Funds for every \$.75 (or 75 cents) of General Fund. Accordingly, the City received \$1,650,000 of Foothill Transit’s General Fund on July 10, 2019 and assigned \$2,200,000 of its Proposition A Local Return Funds to Foothill Transit on July 10, 2019.

NOTE 10 – RESTATEMENT OF PCLRF’s, MRLRF’s, AND MMLRF’S 2020 FINANCIAL STATEMENTS

The 2020 financial statements of PCLRF were restated to report certain expenditures for the City’s Pavement Management System Project Code 765 and interest income related to prior fiscal year that were not previously reported.

	Cash and Investments	Interest Income	Expenditures	Fund Balance
Balance, as previously reported	\$ 1,730,154	\$ 13,310	\$ 1,877,658	\$ 1,524,448
Adjustment	49,942	10,048	(39,894)	49,942
Balance, as restated	<u>\$ 1,780,096</u>	<u>\$ 23,358</u>	<u>\$ 1,837,764</u>	<u>\$ 1,574,390</u>

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 10 – RESTATEMENT OF PCLRF’s, MRLRF’s, AND MMLRF’S 2020 FINANCIAL STATEMENTS (Continued)

The 2020 financial statements of MRLRF were restated to report interest income related to prior fiscal year that was not previously reported.

	Cash and Investments	Interest Income	Fund Balance
Balance, as previously reported	\$ 2,959,383	\$ 19,226	\$ 2,891,993
Adjustment	16,011	16,011	16,011
Balance, as restated	<u>\$ 2,975,394</u>	<u>\$ 35,237</u>	<u>\$ 2,908,004</u>

The 2020 financial statements of MMLRF were restated to report certain expenditures for the City’s 18032 – Residential Street Rehabilitation Project Code 705 and interest income related to prior fiscal year that were not previously reported.

	Cash and Investments	Interest Income	Expenditures	Fund Balance
Balance, as previously reported	\$ 3,024,581	\$ 22,605	\$ 1,466,824	\$ 2,548,930
Adjustment	10,220	17,912	7,692	10,220
Balance, as restated	<u>\$ 3,034,801</u>	<u>\$ 40,517</u>	<u>\$ 1,474,516</u>	<u>\$ 2,559,150</u>

NOTE 11 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
FY 2017-18 allocation	\$ -	\$ 994
Total payment requested	<u>\$ -</u>	<u>\$ 994</u>

NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED

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

	2021	2020
FY 2017-18 allocation	\$ 63,331	\$ 63,331
FY 2018-19 allocation	73,081	73,081
FY 2019-20 allocation	78,265	78,265
FY 2020-21 allocation	60,253	-
Available reserve balance	<u>\$ 274,930</u>	<u>\$ 214,677</u>

CITY OF WEST COVINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 13 – IMPACT OF CORONAVIRUS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the United States.

It is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. However, the City's management believes that the financial impact, if any, will not materially affect the June 30, 2021 Funds' financial statements.

NOTE 14 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through November 18, 2021, the date the financial statements were available to be issued and concluded no other events have occurred that require disclosure or adjustments to the financial statements.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Honorable Members of the City Council of the
City of West Covina, California and the
Los Angeles County Metropolitan Transit Authority

We have audited, 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, the financial statements of the 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 (collectively, the Funds) of the City of West Covina, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

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

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

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





Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Los Angeles, California
November 18, 2021

COMPLIANCE SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report on Compliance

To the Honorable Members of the City Council of the
City of West Covina, California and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

We have audited the compliance of the City of West Covina, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2021.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with 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 referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on 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 on Each Local Return Program and Transportation Development Act Article 3

In our opinion, the City complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2021.





Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines 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 Guidelines 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 we consider to 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 cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 18, 2021

CITY OF WEST COVINA
COMPLIANCE MATRIX
Year Ended June 30, 2021

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds						
1.	Uses the State Controller’s Uniform System of Accounts and Records or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X			None	
2.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account.	X			None	
3.	Funds were expended with Metro’s approval and were not substituted for property tax.	X			None	
4.	Timely use of funds.	X			None	
5.	Administrative expenses are within the 20% cap.	X			None	
6.	Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.	X			None	
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X			None	
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
10.	Local Return Account is credited for reimbursable expenditures.			X	None	
11.	Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.	X			None	
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X	None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds						
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.			X	None	
14.	Recreational transit form was submitted on time.	X			None	
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.	X			None	
16.	Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X			None	
17.	All on-going and carryover projects were reported on Form B or electronic equivalent.	X			None	
18.	Cash or cash equivalents are maintained.	X			None	
19.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(Continued)

Compliance Requirement		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			None	
2.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Annual Expenditure Report (Form Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
 Year Ended June 30, 2021
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
14.	Recreational transit form was submitted on time.			X	None	
15.	Fund exchanges were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(Continued)

Compliance Requirement		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			None	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.	X			None	
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
 Year Ended June 30, 2021
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF WEST COVINA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(Continued)

Compliance Requirement		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			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.			X	None	

CITY OF WEST COVINA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2021

No findings were noted.

EXIT CONFERENCE

CITY OF WEST COVINA
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
EXIT CONFERENCE
June 30, 2021

An exit conference was held on November 29, 2021 with the City of West Covina. Those in attendance were:

Simpson & Simpson Representative:

Daryl Maxwell, Auditor

City's Representatives:

Kelly McDonald, Public Services Manager
Stephanie Sikkema, Assistant Finance Director

Matters Discussed:

Results of the audit disclosed no significant control deficiencies or non-compliance issues with Metro Guidelines.

A copy of this report was forwarded to the following City representative(s) for their comments prior to the issuance of the final report:

Kelly McDonald, Public Services Manager
Stephanie Sikkema, Assistant Finance Director

Simpson & Simpson, LLP
633 West 5th Street, Suite 3320
Los Angeles, CA 90071

RE: CITY OF WEST COVINA ANNUAL FINANCIAL REPORT OF THE 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 FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

I have received the annual financial report of the 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 for the years ended June 30, 2021 and 2020 for the City of West Covina and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date