

***CITY OF MONROVIA
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, 2020 AND 2019***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

CITY OF MONROVIA
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FINANCIAL SECTION



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Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Monrovia, 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 Monrovia, California (the City) as of and for the years ended June 30, 2020 and 2019, 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 of 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 Monrovia, California, as of June 30, 2020 and 2019, and the respective changes in their 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 Monrovia, California, as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in conformity 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 23, 2020, 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 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 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 23, 2020

CITY OF MONROVIA
PROPOSITION A LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2020	2019
ASSETS		
Cash and investments	\$ 174,275	\$ -
Accounts receivable (Note 8)	28,690	70,037
Total assets	\$ 202,965	\$ 70,037
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 74,577	\$ 31,097
Due to General Fund	-	23,901
Total liabilities	74,577	54,998
 Deferred inflow of resources (Note 9)		
Total deferred inflow of resources	27,986	-
 Fund Balance		
Restricted	100,402	15,039
Total fund balance	100,402	15,039
Total liabilities, deferred inflow of resources, and fund balance	\$ 202,965	\$ 70,037

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

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Proposition A	\$ 752,233	\$ 773,211
Proposition A Discretionary Incentive Grant (Note 10)	81,937	182,195
Interest income	1,721	6,700
Project generated revenue (Note 11)	206,477	80,068
Los Angeles County grant reimbursement - Dial-a-Ride (Note 12)	67,438	166,600
Los Angeles County grant reimbursement - Lyft, Inc. (Note 13)	-	104,098
Reimbursement from the City of Bradbury (Note 14)	8,449	8,449
Unrealized gain (loss) on investments	153	1,716
Sale of vehicles (Note 15)	39,400	16,000
	<u>1,157,808</u>	<u>1,339,037</u>
EXPENDITURES		
Various projects	<u>1,072,445</u>	<u>1,344,936</u>
	<u>1,072,445</u>	<u>1,344,936</u>
Excess (deficiency) of revenues over expenditures	85,363	(5,899)
Fund balance at beginning of year	<u>15,039</u>	<u>20,938</u>
Fund balance at end of year	<u>\$ 100,402</u>	<u>\$ 15,039</u>

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

CITY OF MONROVIA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020			2019 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
120-02	General Public Dial-A-Ride *	\$ 350,000	\$ 420,545	\$ (70,545)	\$ 569,583
140-07	Recreational Transportation	15,000	7,181	7,819	7,067
410-01	GoMonrovia Mobility Plan **	494,699	638,193	(143,494)	761,994
480-03	SGVCOG Dues (Prev 06-270)	6,500	6,526	(26)	6,292
Total expenditures		\$ 866,199	\$ 1,072,445	\$ (206,246)	\$ 1,344,936

* The actual variance after considering other funding sources is calculated as follows:

Metro Budget	\$ 350,000
Total expenditures	\$ 420,545
Less: Proposition A Discretionary Incentive Grant (Note 10)	(81,937)
Less: Project generated revenue (Note 11)	(4,714)
Less: Los Angeles County grant reimbursement - Dial-a-Ride (Note 12)	(67,438)
Less: Reimbursement from City of Bradbury (Note 14)	(8,449)
General Public Dial-A-Ride expenditures, net	<u>258,007</u>
Actual variance positive	<u>\$ 91,993</u>

** The actual variance after considering other funding source is calculated as follows:

Metro Budget	\$ 494,699
Total expenditures	\$ 638,193
Less: Project generated revenue (Note 11)	(201,763)
GoMonrovia Mobility Plan expenditures, net	<u>436,430</u>
Actual variance positive	<u>\$ 58,269</u>

See accompanying independent auditor's report.

CITY OF MONROVIA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Dec-03	Bus Shelters	\$ 11,206	\$ -	\$ -	\$ 11,206
Aug-06	New Bus Shelters - Huntington	147,874	-	-	147,874
Aug-07	Glavel Paratransit Dial-A-Ride Bus	61,658	-	61,658	-
Aug-07	Glavel Paratransit Dial-A-Ride Bus	61,658	-	61,658	-
Jun-08	2 Bus Shelters - Huntington	72,708	-	-	72,708
Jun-08	El Dorado Amerivan Paratransit	39,499	-	39,499	-
Jun-08	El Dorado Amerivan Paratransit	39,499	-	39,499	-
Jun-15	Glavel Paratransit Dial-A-Ride Bus	82,224	638 *	-	82,862
Jun-15	Glavel Paratransit Dial-A-Ride Bus	82,224	638 *	82,862	-
Jun-15	Glavel Paratransit Dial-A-Ride Bus	84,778	-	84,778	-
Total		\$ 683,328	\$ 1,276	\$ 369,954	\$ 314,650

* The addition is a capital asset that was not reported in prior fiscal year.

See accompanying independent auditor's report.

CITY OF MONROVIA
PROPOSITION C LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2020	2019
ASSETS		
Cash and investments	\$ 180,069	\$ 839,340
Cash and investments - 2016 Lease Revenue Bonds (Note 16)	726,667	1,856,838
Accounts receivable (Note 8)	-	6,345
Total assets	\$ 906,736	\$ 2,702,523
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 130,960	\$ 783,591
Accounts payable - 2016 Lease Revenue Bonds (Note 16)	104,027	379,877
Accrued payroll and benefits	411	251
Total liabilities	235,398	1,163,719
Deferred inflow of resources (Note 9)	-	6,345
Total deferred inflow of resources	-	6,345
 Fund Balance		
Restricted	48,698	55,498
Restricted - 2016 Lease Revenue Bonds (Note 16)	622,640	1,476,961
Total fund balance	671,338	1,532,459
Total liabilities, deferred inflow of resources and fund balance	\$ 906,736	\$ 2,702,523

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

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Proposition C	\$ 623,979	\$ 641,357
Interest income	16,613	46,566
Project generated revenue (Note 17)	161,690	217,322
Unrealized gain on investments	6,905	21,252
Los Angeles County DPW reimbursement (Note 18)	6,345	-
Sale of vehicles (Note 19)	103,800	-
Total revenues	<u>919,332</u>	<u>926,497</u>
EXPENDITURES		
Various projects	<u>1,780,453</u>	<u>3,185,330</u>
Total expenditures	<u>1,780,453</u>	<u>3,185,330</u>
Deficiency of revenues over expenditures	(861,121)	(2,258,833)
Fund balance at beginning of year	<u>1,532,459</u>	<u>3,791,292</u>
Fund balance at end of year	<u>\$ 671,338</u>	<u>\$ 1,532,459</u>

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

CITY OF MONROVIA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020		Variance Favorable (Unfavorable)	2019 Actual
		Metro Budget	Actual		
270-03	Park and Ride Mixed Use Project	\$ -	\$ -	\$ -	\$ 262,997
410-01	GoMonrovia Mobility Plan *	322,222	483,520	(161,298)	995,677
450-15	Citywide Street Reconstruction Plan	400,000	395,329	4,671	396,990
450-21	Huntington Drive Phase II	1	-	1	-
480-03	SGVCOG Dues (Prev 06-270)	6,500	6,526	(26)	6,292
480-04	Direct Administration	15,000	16,096	(1,096)	75,042
	<i>Expenditures Funded by Proposition C Local Return Fund</i>	<u>743,723</u>	<u>901,471</u>	<u>(157,748)</u>	<u>1,736,998</u>
450-18	Monrovia Renewal Capital Project Expenditures (Note 16)	<u>1,203,644</u>	<u>878,982</u>	<u>324,662</u>	<u>1,448,332</u>
	<i>Expenditures Funded by the Lease Revenue Bonds</i>	<u>1,203,644</u>	<u>878,982</u>	<u>324,662</u>	<u>1,448,332</u>
	Total expenditures	<u>\$ 1,947,367</u>	<u>\$ 1,780,453</u>	<u>\$ 166,914</u>	<u>\$ 3,185,330</u>

* The actual variance after considering other funding sources is calculated as follows:

Metro Budget	\$ 322,222
Total expenditures	\$ 483,520
Less: Project generated revenue (Note 17)	<u>(161,690)</u>
GoMonrovia Mobility Plan expenditures, net	<u>321,830</u>
Actual variance positive	<u>\$ 392</u>

See accompanying independent auditor's report.

CITY OF MONROVIA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
FY 10-11	Street Resurfacing - Project No. C 3013	\$ 500,019	\$ -	\$ -	\$ 500,019
FY 12-13	Street Resurfacing - Project No. C 3059	845,802	-	-	845,802
FY 13-14	Street Resurfacing - Project No. C 3063	360,089	-	-	360,089
FY 15-16	Monrovia Renewal NW/S Construction in Progress	1,816,574	-	1,816,574	-
FY 16-17	Monrovia Renewal North Construction in Progress	30,815	501,438 *	-	532,253
FY 16-17	Monrovia Renewal NE Construction in Progress	19,313	118,569 *	-	137,882
FY 16-17	Foothill Boulevard Improvement Projects (Streets)	800,760	-	-	800,760
FY 16-17	Monrovia Renewal SW/SE - Streets Proposition C (Streets)	2,276,913	-	-	2,276,913
FY 16-17	Monrovia Renewal SW/SE - Streets Proposition C (Sidewalks)	70,420	-	-	70,420
FY 16-17	2014-15 Station Square Infrastructure	600,000	-	-	600,000
FY 16-17	Non-Renewal Sidewalk Repairs (Sidewalks)	35,205	-	-	35,205
FY17-18	Non-Renewal Sidewalk Repairs (Sidewalks)	72,779	-	-	72,779
FY17-18	2017 Starcraft Allstar 22	79,980	-	79,980	-
FY17-18	2017 Starcraft Allstar 20	74,275	-	74,275	-
FY17-18	2017 Starcraft Allstar 20	74,275	-	74,275	-
FY17-18	2017 Starcraft Allstar 20	74,275	-	74,275	-
FY17-18	2017 Starcraft Allstar 20	74,275	-	74,275	-
FY18-19	Monrovia Renewal NW/S Construction in Progress	819,013	-	819,013	-
FY18-19	Monrovia Renewal North Construction in Progress	584,100	-	-	584,100
FY18-19	Monrovia Renewal NE Construction in Progress	45,219	-	-	45,219
FY19-20	Monrovia Renewal NW/S Streets	-	2,801,571	-	2,801,571
FY19-20	Monrovia Renewal NW/S Sidewalks	-	86,647	-	86,647
Total		\$ 9,254,101	\$ 3,508,225	\$ 3,012,667	\$ 9,749,659

* The addition is a capital asset that was not reported in prior fiscal year.

See accompanying independent auditor's report.

CITY OF MONROVIA
MEASURE R LOCAL RETURN FUND
BALANCE SHEETS
June 30

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and investments	\$ 63,837	\$ 975,639
Cash and investments - 2016 Lease Revenue Bonds (Note 16)	512,227	1,665,535
Accounts receivable (Note 8)	<u>3,076</u>	<u>7,878</u>
Total assets	<u>\$ 579,140</u>	<u>\$ 2,649,052</u>
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 836,924
Accounts payable - 2016 Lease Revenue Bonds (Note 16)	<u>73,884</u>	<u>400,924</u>
Total liabilities	<u>73,884</u>	<u>1,237,848</u>
 Deferred inflow of resources (Note 9)		
	<u>2,492</u>	<u>6,916</u>
Total deferred inflow of resources	<u>2,492</u>	<u>6,916</u>
 Fund Balance		
Restricted	64,421	139,677
Restricted - 2016 Lease Revenue Bonds (Note 16)	<u>438,343</u>	<u>1,264,611</u>
Total fund balance	<u>502,764</u>	<u>1,404,288</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 579,140</u>	<u>\$ 2,649,052</u>

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

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

	2020	2019
REVENUES		
Measure R	\$ 467,315	\$ 481,156
Interest income	15,748	50,207
Project generated revenue (Note 17)	41,506	263,140
Los Angeles County grant reimbursement - Lyft, Inc. (Note 13)	-	65,114
Los Angeles County DPW reimbursement (Note 18)	6,345	-
Unrealized gain on investments	7,163	22,948
Total revenues	538,077	882,565
EXPENDITURES		
Various projects	1,439,601	3,434,785
Total expenditures	1,439,601	3,434,785
Deficiency of revenues over expenditures	(901,524)	(2,552,220)
Fund balance at beginning of year	1,404,288	3,956,508
Fund balance at end of year	\$ 502,764	\$ 1,404,288

The accompanying notes are an integral part of the financial statements

CITY OF MONROVIA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020		Variance Favorable (Unfavorable)	2019 Actual
		Metro Budget	Actual		
1.05	Citywide Street Reconstruction Plan - Bond Debt Service Payments	\$ 400,000	\$ 395,328	\$ 4,672	\$ 396,990
1.05	Street Repair and Maintenance Program	50,000	50,000	-	50,000
2.19	GoMonrovia Program	190,031	143,344	46,687	1,506,899
	<i>Expenditures Funded by Measure R Local Return Fund</i>	<u>640,031</u>	<u>588,672</u>	<u>51,359</u>	<u>1,953,889</u>
1.05	Monrovia Renewal Capital Project Expenditures (Note 16)	1,098,644	850,929	247,715	1,480,896
	<i>Expenditures Funded by the Lease Revenue Bonds</i>	<u>1,098,644</u>	<u>850,929</u>	<u>247,715</u>	<u>1,480,896</u>
	Total expenditures	\$ <u>1,738,675</u>	\$ <u>1,439,601</u>	\$ <u>299,074</u>	\$ <u>3,434,785</u>

See accompanying independent auditor's report.

CITY OF MONROVIA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
FY 15-16	Monrovia Renewal NW/S Construction in Progress	\$ 1,752,034	\$ -	\$ 1,752,034	\$ -
FY 16-17	Monrovia Renewal North Construction in Progress	143,852	501,438 *	-	645,290
FY 16-17	Monrovia Renewal NE Construction in Progress	64,295	90,516 *	-	154,811
FY 16-17	Huntington Drive Concrete Curb Repair (Median)	18,177	-	-	18,177
FY 16-17	Huntington Drive Median Upgrade (Median)	226,138	-	-	226,138
FY 16-17	Monrovia Renewal SW/SE - Streets Measure R (Streets)	2,360,594	-	-	2,360,594
FY 16-17	Monrovia Renewal SW/SE - Streets Measure R (Sidewalks)	73,008	-	-	73,008
FY 16-17	2014-15 Station Square Infrastructure	336,963	-	-	336,963
FY 16-17	Non-Renewal Sidewalk Repairs (Sidewalks)	35,205	-	-	35,205
FY 17-18	Non-Renewal Sidewalk Repairs (Sidewalks)	72,779	-	-	72,779
FY 18-19	Monrovia Renewal NW/S Construction in Progress	781,352	-	781,352	-
FY 18-19	Monrovia Renewal North Construction in Progress	580,944	-	-	580,944
FY 18-19	Monrovia Renewal NE Construction in Progress	117,837	-	-	117,837
FY 19-20	Monrovia Renewal NW/S Streets	-	2,702,436	-	2,702,436
FY 19-20	Monrovia Renewal NW/S Sidewalks	-	83,580	-	83,580
Total		\$ <u>6,563,178</u>	\$ <u>3,377,970</u>	\$ <u>2,533,386</u>	\$ <u>7,407,762</u>

* The addition is a capital asset that was not reported in prior fiscal year.

See accompanying independent auditor's report.

CITY OF MONROVIA
MEASURE M LOCAL RETURN FUND
BALANCE SHEETS
June 30

	2020	2019
ASSETS		
Cash and investments	\$ 70,319	\$ 280,325
Total assets	\$ 70,319	\$ 280,325
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 212,605
Total liabilities	-	212,605
 Fund Balance		
Restricted	70,319	67,720
Total fund balance	70,319	67,720
Total liabilities and fund balance	\$ 70,319	\$ 280,325

The accompanying notes are an integral part of the financial statements

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Measure M	\$ 527,409	\$ 540,533
Interest income	1,700	2,483
Project generated revenue (Note 17)	49,640	91,169
Los Angeles County grant reimbursement - Lyft, Inc. (Note 13)	-	18,795
Unrealized gain on investments	799	-
Total revenues	<u>579,548</u>	<u>652,980</u>
EXPENDITURES		
Various projects	<u>576,949</u>	<u>585,355</u>
Total expenditures	<u>576,949</u>	<u>585,355</u>
Excess of revenues over expenditures	2,599	67,625
Fund balance at beginning of year	<u>67,720</u>	<u>95</u>
Fund balance at end of year	<u>\$ 70,319</u>	<u>\$ 67,720</u>

The accompanying notes are an integral part of the financial statements

CITY OF MONROVIA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020			2019 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	Street Repair and Maintenance Program	\$ 400,000	\$ 400,000	\$ -	\$ 150,000
2.19	GoMonrovia Mobility Plan	267,074	176,949	90,125	435,355
	Total expenditures	\$ 667,074	\$ 576,949	\$ 90,125	\$ 585,355

See accompanying independent auditor's report.

CITY OF MONROVIA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2020	2019
ASSETS		
Cash and investments	\$ -	\$ -
Total assets	\$ -	\$ -
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ -	\$ -

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

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

	2020	2019
REVENUES		
TDA 3	\$ -	\$ -
Total revenues	-	-
EXPENDITURES		
Construction/Maintenance	-	-
Total expenditures	-	-
Excess of revenues over expenditures	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	\$ -	\$ -

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

CITY OF MONROVIA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
ALLOCATION FOR SPECIFIC PROJECTS
For the Fiscal Year Ended June 30, 2020

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local Allocations:					
None		\$ -	\$ -	\$ -	
		<u>\$ -</u>	<u>\$ -</u>	-	
Fund balance at beginning of year				-	
Fund balance at end of year				<u>\$ -</u>	

See accompanying independent auditor's report.

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019

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 MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(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 2020 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, 2020:

- 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).

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 MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(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.

NOTE 8 – ACCOUNTS RECEIVABLE - PALRF, PCLRF AND MRLRF

Accounts receivable under PALRF as of June 30, 2020 and 2019 consisted of the following:

		2020		2019
Metro	\$	16,753	\$	59,309
Los Angeles County Department of Public Works		11,937		10,024
City of Bradbury		-		704
Total	\$	28,690	\$	70,037

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 8 – ACCOUNTS RECEIVABLE - PALRF, PCLRF AND MRLRF (Continued)

Accounts receivable under PCLRF as of June 30, 2019 consisted of amount due from Los Angeles County Department of Public Works for the cost sharing of street improvement work for the Monrovia Renewal Capital Project in the amount of \$6,345.

Accounts receivable under MRLRF as of June 30, 2020 and 2019 consisted of the following:

		2020		2019
Los Angeles County Department of Public Works	\$	-	\$	6,345
Lyft, Inc.		3,076		1,533
Total	\$	3,076	\$	7,878

NOTE 9 – DEFERRED INFLOW OF RESOURCES - PALRF, PCLRF, AND MRLRF

The City recognizes revenue when the payments for services rendered become measurable and available. In fiscal years ended June 30, 2020 and 2019, the City recorded deferred inflow of resources when the availability of the funds was not determined at fiscal year end.

The issuance of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting standards that reclassify certain liabilities as deferred inflows of resources. A deferred inflow of resources is defined as those resources that are not available for spending in the current period. Since the reimbursements from other funds were not available for spending PALRF, PCLRF, and MRLRF in fiscal years ended June 30, 2020 and 2019, the amounts are reported as deferred inflows of resources.

As of June 30, 2020, and 2019, the deferred inflows of resources under PALRF consists of reimbursements from the following:

		2020		2019
Proposition A Discretionary Incentive Grant	\$	16,753	\$	-
Los Angeles County Grant		11,233		-
Total	\$	27,986	\$	-

As of June 30, 2019, the deferred inflows of resources under PCLRF consists of reimbursements from Los Angeles County Department of Public Works for the cost sharing of street improvement work for the Monrovia Renewal Capital Project in the amount of \$6,345.

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 9 – DEFERRED INFLOW OF RESOURCES - PALRF, PCLRF, AND MRLRF (Continued)

As of June 30, 2020, and 2019, the deferred inflows of resources under MRLRF consists of reimbursements from the following:

		2020		2019
Los Angeles County Department of Public Works	\$	-	\$	6,345
Lyft, Inc.		2,492		571
Total	\$	2,492	\$	6,916

NOTE 10 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT - PALRF

The Proposition A Discretionary Incentive Grant amounting to \$81,937 and \$182,195 for the years ended June 30, 2020 and 2019, respectively, represents additional funds received from Metro for participating in the sub-regional paratransit services program. The City is to operate a demand-response paratransit Dial-A-Ride program available to eligible disabled residents or known as the Monrovia Dial-A-Ride Program.

The Proposition A Discretionary Incentive Grant was recorded under PALRF.

NOTE 11 – PROJECT GENERATED REVENUE - PALRF

Project generated revenues for the years ended June 30, 2020 and 2019 consisted of the following:

		2020		2019
Dial-A-Ride fares	\$	4,714	\$	7,608
GoMonrovia fares		201,763		72,460
Total	\$	206,477	\$	80,068

NOTE 12 – LOS ANGELES COUNTY GRANT REIMBURSEMENT – DIAL-A-RIDE - PALRF

Since 1994, the City has provided Dial-A-Ride services to residents of the surrounding unincorporated areas south of the City. The City is reimbursed by the County of Los Angeles for the rides that it furnishes to the residents of the unincorporated areas. The amounts reimbursed for the years ended June 30, 2020 and June 30, 2019 for PALRF amounted to \$67,438 and \$166,600, respectively.

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 13 – LOS ANGELES COUNTY GRANT REIMBURSEMENT – LYFT, INC. - PALRF, MRLRF, AND MMLRF

In the later part of fiscal year ended June 30, 2018, the City started providing subsidies to residents for car ride services from Lyft, Inc. to local public transit stops under the GoMonrovia project. In fiscal year ended June 30, 2019, the County of Los Angeles reimbursed the City for the subsidies that are provided to the residents throughout the unincorporated areas. The reimbursements received for the year ended June 30, 2019 amounted to the following:

		2019	
GoMonrovia Reimbursement - PALRF	\$	104,098	
GoMonrovia Reimbursement - MRLRF		65,114	
GoMonrovia Reimbursement - MMLRF		18,795	
Total	\$	188,007	

NOTE 14 – REIMBURSEMENT FROM THE CITY OF BRADBURY - PALRF

The City provides Dial-A-Ride services to residents of the City of Bradbury. The City is reimbursed by the City of Bradbury for the rides that it furnishes to those residents. The same amount of \$8,449 was reimbursed in the years ended June 30, 2020 and June 30, 2019 for PALRF.

NOTE 15 – SALE OF VEHICLES - PALRF

On August 1, 2019 and October 12, 2019, the City sold a total of six (6) Monrovia paratransit vehicles. The busses were sold to the highest bidder and resulted in PALRF receiving \$39,400 for the fiscal year ended June 30, 2020.

On May 31, 2019 the City transferred one Glavel Paratransit Dial-A-Ride bus to a City program named Monrovia Reads. The bus was assessed for its value and resulted in the Monrovia Reads program paying \$16,000 to the PALRF for the fiscal year ended June 30, 2019.

NOTE 16 – 2016 LEASE REVENUE BONDS - PCLRF AND MRLRF

On March 1, 2016, the City issued Proposition C and Measure R Street Improvements Projects Lease Revenue Bonds in the amount of \$13,600,000. The proceeds of the bonds are anticipated to be used to finance the costs of acquisition, construction, rehabilitation, reconstruction, and resurfacing of the City’s public street facilities, fund a reserve account and pay costs of issuance. Use of Proposition C Revenues and Measure R Revenues to pay debt service on the Bonds to finance the costs of the project was approved by LACMTA by the letter dated February 26, 2016.

The serial bonds mature annually each December 1 from 2016 to 2036, in amounts ranging from \$155,000 to \$530,000 and bear interest at rates ranging from 3.000% to 5.000%. Interest is payable semi-annually on June 1 and December 1 in each year, commencing on December 1, 2016.

The Lease Revenue Bonds were split 50/50 between PCLRF and MRLRF.

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 16 – 2016 LEASE REVENUE BONDS - PCLRF AND MRLRF (Continued)

The lease revenue cash and investments and fund balances for PCLRF and MRLRF for the years ended June 30, 2020 and 2019 are as follows:

	<u>PCLRF</u>	<u>MRLRF</u>	<u>Total</u>
Lease Revenue Fund Balance at June 30, 2018	\$ 3,360,548	\$ 3,216,926	\$ 6,577,474
Add:			
Interest income	30,602	30,603	61,205
Unrealized gain on investments	9,675	9,675	19,350
Less:			
Accounts Payable at June 30, 2018	(475,532)	(511,697)	(987,229)
FY 2019 PCLRF's Monrovia Renewal Capital Project Code 450-18 Expenditures	(1,448,332)	-	(1,448,332)
FY 2019 MRLRF's Monrovia Renewal Capital Project Code 1.05 Expenditures	-	<u>(1,480,896)</u>	<u>(1,480,896)</u>
Lease Revenue Fund Balance at June 30, 2019	<u>1,476,961</u>	<u>1,264,611</u>	<u>2,741,572</u>
Add: Accounts Payable at June 30, 2019	<u>379,877</u>	<u>400,924</u>	<u>780,801</u>
Cash and investments – Restricted at June 30, 2019	<u><u>1,856,838</u></u>	<u><u>1,665,535</u></u>	<u><u>3,522,373</u></u>
Lease Revenue Fund Balance at June 30, 2019	1,856,838	1,665,535	3,522,373
Add:			
Interest Income	13,825	13,825	27,650
Unrealized gain on investments	4,491	4,491	8,982
Los Angeles County DPW reimbursement	6,345	6,345	12,690
Less:			
Accounts Payable at June 30, 2019	(379,877)	(400,924)	(780,801)
FY 2020 PCLRF's Monrovia Renewal Capital Project Code 450-18 Expenditures	(878,982)	-	(878,982)
FY 2020 MRLRF's Monrovia Renewal Capital Project Code 1.05 Expenditures	-	<u>(850,929)</u>	<u>(850,929)</u>
Lease Revenue Fund Balance at June 30, 2020	<u>622,640</u>	<u>438,343</u>	<u>1,060,983</u>
Add: Accounts Payable at June 30, 2020	<u>104,027</u>	<u>73,884</u>	<u>177,911</u>
Cash and investments – Restricted at June 30, 2020	<u><u>\$ 726,667</u></u>	<u><u>\$ 512,227</u></u>	<u><u>\$ 1,238,894</u></u>

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 17 – PROJECT GENERATED REVENUE - PCLRF, MRLRF, AND MMLRF

Project generated revenues for the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
GoMonrovia fares - PCLRF	\$ 161,690	\$ 217,322
GoMonrovia fares - MRLRF	41,506	263,140
GoMonrovia fares - MMLRF	49,640	91,169
Total	\$ <u>252,836</u>	\$ <u>571,631</u>

NOTE 18 – LOS ANGELES COUNTY DPW REIMBURSEMENT - PCLRF AND MRLRF

On July 31, 2018, the City entered into an agreement with the Los Angeles County Department of Public Works (DPW) to share the cost of concrete, ADA ramp and paving work on Hurstview Avenue. The work was completed during fiscal year ended June 30, 2019. The reimbursement in the same amount of \$6,345 to both PCLRF and MRLRF constitutes the agreed-upon share of costs less the construction contingency that was eliminated due to the completion of the work. The reimbursement was received in the fiscal year ended June 30, 2020.

NOTE 19 – SALE OF VEHICLES - PCLRF

On August 1, 2019, the City sold five Monrovia transit vehicles to Empire Transportation, Inc. The buses were sold for \$103,800 to the PCLRF for the fiscal year ended June 30, 2020.

NOTE 20 – 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, 2020 and 2019, the City has funds on reserve as follows:

	2020	2019
FY 2018-19 allocation	\$ 26,116	\$ 26,116
FY 2019-20 allocation	28,004	-
Available reserve balance	\$ <u>54,120</u>	\$ <u>26,116</u>

CITY OF MONROVIA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 21 – SUBSEQUENT EVENTS

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. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. 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. To date, 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.

The City has evaluated subsequent events through November 23, 2020, the date the accompanying 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 Monrovia, 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 Monrovia, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated November 23, 2020.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 23, 2020

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 Monrovia, California and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

We have audited the compliance of the City of Monrovia, 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, 2020.

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, 2020.





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 23, 2020

CITY OF MONROVIA
COMPLIANCE MATRIX
Year Ended June 30, 2020

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.	X			None	
2.	Timely use of funds.	X			None	
3.	Funds expended were approved and have not been substituted for property tax.	X			None	
4.	Expenditures that exceeded 25% of approved project budget have approved amended project Description Form (Form A).	X			None	
5.	Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X			None	
6.	All on-going and carryover projects were reported in Form B.	X			None	
7.	Annual Project Summary Report (Form B) was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) was submitted on time.	X			None	
9.	Cash or cash equivalents are maintained.	X			None	
10.	Accounting procedures, record keeping and documentation are adequate.	X			None	
11.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
12.	Local Return Account is credited for reimbursable expenditures.	X			None	
13.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X	None	
14.	Signed Assurances and Understandings form was on file.	X			None	
15.	Recreational transit form was submitted on time.	X			None	

CITY OF MONROVIA
COMPLIANCE MATRIX
Year Ended June 30, 2020
(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.	Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X			None	
3.	Signed Assurances and Understandings form was on file.	X			None	
4.	Separate Measure R Local Return Account was established.	X			None	
5.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds.	X			None	
10.	Administrative expenditures are within the 20% cap.			X	None	
11.	Fund exchanges were approved by Metro.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Recreational transit form was submitted on time.			X	None	

CITY OF MONROVIA
COMPLIANCE MATRIX
Year Ended June 30, 2020
(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.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
3.	Signed Assurances and Understandings form was on file.	X			None	
4.	Separate Measure M Local Return Account was established.	X			None	
5.	Revenue received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form M-One) was submitted on time.	X			None	
8.	Expenditure Report (Form M-Two) was submitted on time.	X			None	
9.	Timely use of funds.	X			None	
10.	Administrative expenses are within the 20% cap.			X	None	
11.	Fund exchanges were approved by Metro.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Recreational transit form was submitted on time.			X	None	

CITY OF MONROVIA
COMPLIANCE MATRIX
 Year Ended June 30, 2020
 (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 MONROVIA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2020

No findings were noted.

EXIT CONFERENCE

CITY OF MONROVIA
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, 2020

An exit conference was held on December 7, 2020 with the City of Monrovia. Those in attendance were:

Simpson & Simpson Representative:

John Longoria, Auditor

City's Representatives:

Emy-Rose Hanna, Management Analyst
Alex Tachiki, Administrative Officer

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:

Emy-Rose Hanna, Management Analyst

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

RE: CITY OF MONROVIA 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, 2020 AND 2019

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, 2020 and 2019 for the City of Monrovia and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date