



MetroTM

**Schedule of EZ Transit Pass Passenger Boarding,
Average Fare Used and EZ Transit Pass Program Reimbursements of
Package A EZ Transit Pass Regional Program Participating Agencies**

*Year Ended June 30, 2020
with Report of Independent Auditors*

**Package A EZ Transit Pass Regional Program Participating Agencies
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements
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Report of Independent Auditors on Compliance

To the Los Angeles County Metropolitan Transportation Authority and Package A EZ Transit Pass Regional Program Participating Agencies

Report on Compliance

We have audited the compliance of the Antelope Valley Transit Authority (AVTA), City of Carson (Carson Circuit), City of Culver City (Culver City Municipal Bus Lines), City of Gardena (Gardena Municipal Bus Lines), City of Monterey Park (Monterey Park Spirit Bus) and City of Santa Monica (Santa Monica's Big Blue Bus) (Package A EZ Transit Pass Regional Program Participating Agencies) with their respective Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Los Angeles County EZ Transit Pass Regional Program Guidelines for Participating Agencies (collectively referred to as Guidelines) for the year ended June 30, 2020.

We were engaged to audit the compliance of the City of Montebello (Montebello Bus Lines) with the Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Los Angeles County EZ Transit Pass Regional Program Guidelines for Participating Agencies (collectively referred to as Guidelines) for the year ended June 30, 2020.

Management's Responsibility

Management of each Participating Agencies is responsible for the respective agency's compliance with those requirements.

Auditors' Responsibility

Our responsibility is to express an opinion on the Participating Agencies' compliance based on our audit. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Los Angeles County EZ Transit Pass Regional Program Guidelines for Participating Agencies. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of requirements referred to above that could have a direct and material effect on the EZ Transit Pass Regional Program occurred. An audit includes examining, on a test basis, evidence about the Participating Agencies' 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 Participating Agencies' compliance with the Guidelines.

Basis for Disclaimer of Opinion on the City of Montebello

As discussed on page 9, owing to significant employee turnover, the City of Montebello was unable to provide support for Metrolink boardings and Average Fare calculations for the year ended June 30, 2020. As a result, we were unable to perform audit procedures to test the City's compliance with the Guidelines.

Disclaimer of Opinion on the City of Montebello

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the City of Montebello's compliance with the Guidelines. Accordingly, we do not express an opinion on the City of Montebello's compliance with the Guidelines.

Unmodified opinion on Antelope Valley Transit Authority, City of Carson, City of Culver City, City of Gardena, City of Monterey Park and City of Santa Monica

In our opinion, Antelope Valley Transit Authority, City of Carson, City of Culver City, City of Gardena, City of Monterey Park and City of Santa Monica included in the Package A EZ Transit Pass Regional Program Participating Agencies 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 respective Package A EZ Transit Pass Regional Program Participating Agencies is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the respective Participating Agencies' 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 respective Participating Agencies' internal control over compliance.

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



Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control for the City of Montebello (the City), described in the Schedule of Findings on Internal Control over Compliance as Finding No. 2020-001, that we consider to be a material weakness.

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings on Internal Control over Compliance. The City's response was not subjected to the auditing procedures applied in the audit of Compliance, and accordingly, we express no opinion on the response.

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.

Report on Schedules of EZ Transit Pass Passenger Boarding, Average Fare Used and EZ Transit Pass Program Reimbursements

We have audited the compliance of the Package A EZ Transit Pass Regional Program Participating Agencies with the Guidelines for the year ended June 30, 2020. Our audit was conducted 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. The Schedules of EZ Transit Pass Passenger Boarding, Average Fare Used, and EZ Transit Pass Program Reimbursements are presented for purposes of additional analysis as required by the Guidelines.

The Schedules of EZ Transit Pass Passenger Boarding, Average Fare Used and EZ Transit Pass Program Reimbursements are the responsibility of management. Such information has been subjected to the auditing procedures applied to the audit of compliance with the Guidelines, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records, in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the City of Montebello, the accompanying Schedules present fairly the Package A EZ Transit Pass Regional Program Participating Agencies' Passenger Boarding, Average Fare Used, and EZ Transit Pass Program Reimbursements, in all material respects for the year ended June 30, 2020 in conformity with the Guidelines.

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

**Glendale, California
December 28, 2020**

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – Antelope Valley Transit Authority
(AVTA)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	27,444	N/A	-
Metrolink EZ Pass	<u>40,835</u>	<u>40,835</u>	<u>-</u>
Average Fare Billed [b]			
EZ Transit Pass	\$ 2.88	\$ 2.87	\$ 0.01
Metrolink EZ Pass	<u>\$ 2.88</u>	<u>\$ 2.87</u>	<u>\$ 0.01</u>
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ 79,039	\$ 78,764	\$ 275
Metrolink EZ Pass	<u>117,605</u>	<u>117,196</u>	<u>409</u>
Total	<u>\$ 196,644</u>	<u>\$ 195,960</u>	<u>\$ 684</u>

* Passenger boardings were confirmed and provided by Metro TAP department.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Carson
(Carson Circuit)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	<u>1,672</u>	<u>N/A</u>	<u>-</u>
Average Fare Billed [b]			
EZ Transit Pass	\$ <u>0.85</u>	\$ <u>0.73</u>	\$ <u>0.12</u>
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ <u><u>1,421</u></u>	\$ <u><u>1,221</u></u>	\$ <u><u>200</u></u>

* Passenger boardings were confirmed and provided by Metro TAP department.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Culver City
(Culver City Municipal Bus Lines)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	<u>142,313</u>	<u>N/A</u>	<u>-</u>
Average Fare Billed [b]			
EZ Transit Pass	\$ <u>0.72</u>	\$ <u>0.67</u>	\$ <u>0.05</u>
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ <u>102,465</u>	\$ <u>95,350</u>	\$ <u>7,115</u>

* Passenger boardings were confirmed and provided by Metro TAP department.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Gardena
(Gardena Municipal Bus Lines)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	50,376	N/A	-
Metrolink EZ Pass	<u>1,634</u>	<u>1,634</u>	<u>-</u>
Average Fare Billed [b]			
EZ Transit Pass	\$ 0.85	\$ 0.73	\$ 0.12
Metrolink EZ Pass	<u>\$ 0.85</u>	<u>\$ 0.73</u>	<u>\$ 0.12</u>
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ 42,820	\$ 36,774	\$ 6,046
Metrolink EZ Pass	<u>1,389</u>	<u>1,193</u>	<u>196</u>
Total	<u>\$ 44,209</u>	<u>\$ 37,967</u>	<u>\$ 6,242</u>

* Passenger boardings were confirmed and provided by Metro TAP department.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Monterey Park
(Monterey Park Spirit Bus)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	587	N/A	-
Metrolink EZ Pass	<u>8,013</u>	<u>8,013</u>	<u>-</u>
Average Fare Billed [b]			
EZ Transit Pass	\$ 0.13	\$ 0.14	\$ (0.01)
Metrolink EZ Pass	<u>\$ 0.50</u>	<u>\$ 0.50</u>	<u>\$ -</u>
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ 76	\$ 82	\$ (6)
Metrolink EZ Pass	<u>4,007</u>	<u>4,007</u>	<u>-</u>
Total	<u>\$ 4,083</u>	<u>\$ 4,089</u>	<u>\$ (6)</u>

* Passenger boardings were confirmed and provided by Metro TAP department.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Montebello
(Montebello Bus Lines)
Year ended June 30, 2020**

	<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings [a]			
EZ Transit Pass *	103,775	N/A	-
Metrolink EZ Pass	**	**	**
Average Fare Billed [b]			
EZ Transit Pass	\$ 0.81	\$ **	\$ **
Metrolink EZ Pass	\$ 0.81	\$ **	\$ **
EZ Transit Pass Reimbursement [a x b]			
EZ Transit Pass	\$ 84,058	\$ **	\$ **
Metrolink EZ Pass	**	**	**
Total	\$ **	\$ **	\$ **

* EZ Transit Pass Passenger boardings were confirmed and provided by Metro TAP department.

** Due to significant employee turnover at the City of Montebello's Transportation Department, the City was unable to provide support for Metrolink boardings and average fare calculation for the year ended June 30, 2020. LACMTA used the audited average fare of \$0.81 for the year ended June 30, 2019 to reimburse the City in FY 2020. Vasquez and Company LLP audited the City of Montebello's Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used and EZ Transit Pass Program Reimbursements for the year ended June 30, 2019, whose report, dated, December 16, 2019, expressed an unmodified opinion.

See Schedule of Findings and Questioned Costs.

**EZ Transit Pass Regional Program
Schedule of EZ Transit Pass Passenger Boarding, Average Fare Used
and EZ Transit Pass Program Reimbursements – City of Santa Monica
(Santa Monica’s Big Blue Bus)
Year ended June 30, 2020**

		<u>Reported</u>	<u>Audited</u>	<u>Over (Under) Reported</u>
Passenger Boardings	[a]			
	EZ Transit Pass *	<u>465,542</u>	<u>N/A</u>	<u>-</u>
Average Fare Billed	[b]			
	EZ Transit Pass	<u>\$ 1.01</u>	<u>\$ 1.07</u>	<u>\$ (0.06)</u>
EZ Transit Pass Reimbursement	[a x b]			
	EZ Transit Pass	<u>\$ 470,197</u>	<u>\$ 498,130</u>	<u>\$ (27,933)</u>

* Passenger boardings were confirmed and provided by Metro TAP department.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**EZ Transit Pass Regional Program
Schedule of Findings and Questioned Costs
Year ended June 30, 2020**

**City of Montebello (Montebello Bus Lines)
Finding No. 2020-001: Average Fare Rate Calculation**

Compliance Reference	Los Angeles County EZ Transit Pass Regional Program Guidelines Section D states that, "Data used to calculate the annual average fare or average cash fare is for the same fiscal year that reimbursement is requested."
Condition	The City of Montebello did not calculate EZ Pass average fare rate and accumulate Metrolink boardings for the year ended June 30, 2020.
Cause	The City has significant employee turnover in the transportation department.
Effect	As a result of the turnover, along with ongoing impact from the pandemic and the City's other external audits, the City was unable to prepare the calculation of average fare and accumulate Metrolink boardings for the year ended June 30, 2020.
Recommendation	We recommend that the City timely schedule its preparations for annual audits, while ensuring resources are in place to comply with scheduled audits. Average fare should be calculated annually in keeping with Los Angeles County EZ Transit Pass Regional Program Guidelines. Metrolink boardings should be calculated as accumulated per system reports for the year.
Management's Response	As of the date of this report, the City management has not provided a response to this finding.



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