



MetroTM

**City of Pomona
Annual Financial Report of its**

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

As of and for the Years Ended June 30, 2020 and 2019

with Report of Independent Auditors

An independently owned member
RSM US Alliance



 **Vasquez
& Company LLP**
Certified Public Accountants and Business Consultants

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FINANCIAL SECTION

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Pomona, California (the City) which comprise the Funds' balance sheets as of June 30, 2020 and 2019, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Pomona, California, as of June 30, 2020 and 2019, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Pomona, California, and do not purport to, and do not present fairly the financial position of the City as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Supplementary Information

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

The supplementary information identified in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Funds' basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the Funds' basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Funds' basic financial statements or to the Funds' basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to each of the Funds' basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 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 solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

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

**Glendale, California
December 14, 2020**

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

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	2,591,546	\$ 2,997,491
Accounts receivable		2,000	4,000
Interest receivable		-	10,216
Due from other government agencies		22,807	142,807
Total assets	\$	2,616,353	\$ 3,154,514
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	43,958	\$ 101,556
Accrued payroll and employee benefits		5,187	5,671
Total liabilities		49,145	107,227
Deferred inflows of resources			
Unavailable revenues		22,807	22,807
Total deferred inflows of resources		22,807	22,807
Fund balance			
Restricted		2,544,401	3,024,480
Total fund balance		2,544,401	3,024,480
Total liabilities, deferred inflows of resources and fund balance	\$	2,616,353	\$ 3,154,514

See notes to Funds financial statements.

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

	Years ended June 30	
	2020	2019
Revenues		
Proposition A	\$ 3,004,621	\$ 3,117,939
Proposition A fund exchange	-	1,090,000
Investment income	20,342	73,833
Get About Subsidy	10,000	27,000
Other revenues	1,500	37,608
Total revenues	3,036,463	4,346,380
 Expenditures		
Various projects	3,516,542	3,599,751
Total expenditures	3,516,542	3,599,751
 Excess (deficiency) of revenues over expenditures	 (480,079)	 746,629
 Fund balance at beginning of year	 3,024,480	 2,277,851
 Fund balance at end of year	 \$ 2,544,401	 \$ 3,024,480

See notes to Funds financial statements.

City of Pomona
**Proposition A Local Return Fund
 Supplementary Information**
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020		Variance Positive (Negative)	2019 Actual
		LACMTA Budget	Actual		
130-01	PVTA - Get About	\$ 1,766,825	\$ 1,766,824	\$ 1	\$ 1,639,400
140-01	Recreational Transit	40,000	12,906	27,094	11,425
160-03	Bus Stop Improvements along San Bernardino San Antonio N Garey Ridgeway Dudley Alvarado and Monterey	37,227	-	37,227	-
160-07	Transit Improvement Program - Citywide	30,624	-	30,624	-
160-08	Street Rehab District 475	203,943	-	203,943	-
160-09	Bus Stop Improvements - Prop A Eligible Amenities to Supplement Project 450-03	37,227	-	37,227	-
170-03	Bus Stop Shelter Maintenance	160,000	158,024	1,976	113,577
230-01	Metrolink Security	370,000	336,548	33,452	357,770
230-10	Transit Station Security Cameras	136,070	-	136,070	-
250-01	Get About Subsidy	16,000	-	16,000	-
250-02	MTA Bus Pass Subsidy	174,000	106,616	67,384	157,636
270-02	Technology - Work Order/Management System CIP 71060 (Previously named Gold Line Station Feasibility Analysis)	10,000	-	10,000	-
300-01	Transit Improvement Program - Goldline CIP	423,560	39,760	383,800	286,721
360-01	Metrolink Utilities (2 Stations)	64,411	64,246	165	54,287
370-01	Safety Improvement at Grade Crossing 68551	50,000	37,800	12,200	-
370-02	Pomona Transit Bridge Improvement and Beautification CIP 428-67927	1,005,091	743,259	261,832	589,378
390-01	Metrolink Maintenance (2 Stations)	122,171	91,206	30,965	200,532
480-01	Administration	178,537	159,353	19,184	189,025
Total expenditures		\$ 4,825,686	\$ 3,516,542	\$ 1,309,144	\$ 3,599,751

See report of independent auditors.

City of Pomona
Proposition A Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

Date Acquired	Description	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
N/A	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	9,882,206	\$ 7,549,872
Interest receivable		32,755	31,128
Total assets	\$	9,914,961	\$ 7,581,000
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	300	\$ 3,038
Accrued payroll and employee benefits		4,001	3,596
Total liabilities		4,301	6,634
Fund balance			
Restricted		9,910,660	7,574,366
Total fund balance		9,910,660	7,574,366
Total liabilities and fund balance	\$	9,914,961	\$ 7,581,000

See notes to Funds financial statements.

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

	Years ended June 30	
	2020	2019
Revenues		
Proposition C	\$ 2,492,340	\$ 2,586,242
Investment income	255,096	175,721
Total revenues	2,747,436	2,761,963
 Expenditures		
Various projects	411,142	430,441
Total expenditures	411,142	430,441
 Excess of revenues over expenditures	 2,336,294	 2,331,522
 Fund balance at beginning of year	 7,574,366	 5,242,844
 Fund balance at end of year	 \$ 9,910,660	 \$ 7,574,366

* \$1,934,979 of the fund balance at end of year has lapsed. On September 16, 2020, as a result of the COVID-19 pandemic, the LACMTA Board of Directors granted a one-time, one-year extension for the use of the lapsed funds.

See notes to Funds financial statements.

City of Pomona
Proposition C Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
210-01	TSSP Project - Valley Blvd/Holt Ave CIP 428-76026	\$ 434,852	\$ -	\$ 434,852	\$ -
270-02	Technology - Work Order/Management System CIP 71060 (Previously Named Gold Line Station Feasibility Analysis)	10,000	-	10,000	-
370-01	Street Improvements - Hamilton Underpass at UPRR	50,000	6,856	43,144	14,758
380-01	Major Street Rehabilitation - 2015 Metro Call	2,773,590	72,726	2,700,864	-
400-02	Traffic Signal Improvements - Towne Avenue and Philadelphia	9,042	1,484	7,558	2,743
440-01	Bridge Rehabilitation Program	46,682	797	45,885	2,834
440-05	Street Preservation CW 67920	-	-	-	244,694
440-10	Traffic Operations - Communication Upgrade CIP 428-5882	9,900	-	9,900	-
440-11	Street Preservation CW FY16-17	82,527	8,825	73,702	-
450-01	Mission Boulevard Grade Separation at State Route 71	-	-	-	6,606
450-03	Major Street Rehabilitation 2015 Metro Call CIP 428-67918	2,773,590	-	2,773,590	-
450-04	Holt Ave West Reconstruction	4,023,669	83,250	3,940,419	36,603
450-10	ADA Compliance Program	125,000	125,000	-	-
450-11	Highway Improvement - SR 71 Highway Conversion	47,497	21,973	25,524	-
450-12	ADA Curb Ramps and PATH Travel FY19-20	50,000	-	50,000	-
460-07	Traffic Signal Improvements - Battery Backup System	192,657	8,003	184,654	37,089
480-01	Administration	123,929	82,228	41,701	85,114
	Total expenditures	\$ 10,752,935	\$ 411,142	\$ 10,341,793	\$ 430,441

See report of independent auditors.

City of Pomona
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

Date Acquired	Description	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
N/A	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	2,853,466	\$ 3,203,925
Interest receivable		-	13,559
Total assets	\$	<u>2,853,466</u>	<u>\$ 3,217,484</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	139,015	\$ 87,963
Accrued payroll and employee benefits		34,390	31,826
Total liabilities		<u>173,405</u>	<u>119,789</u>
Fund balance			
Restricted		<u>2,680,061</u>	<u>3,097,695</u>
Total fund balance		<u>2,680,061</u>	<u>3,097,695</u>
Total liabilities and fund balance	\$	<u>2,853,466</u>	<u>\$ 3,217,484</u>

See notes to Funds financial statements.

City of Pomona
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2020	2019
Revenues		
Measure R	\$ 1,866,581	\$ 1,940,239
Investment income	21,648	82,979
Other revenue - insurance recovery	460	-
Total revenues	1,888,689	2,023,218
 Expenditures		
Various projects	2,306,323	1,726,177
Total expenditures	2,306,323	1,726,177
 Excess (deficiency) of revenues over expenditures	(417,634)	297,041
 Fund balance at beginning of year	3,097,695	2,800,654
 Fund balance at end of year	\$ 2,680,061	\$ 3,097,695

See notes to Funds financial statements.

City of Pomona
Measure R Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	Alley Improvements - Citywide CDBG FY15 to FY17	\$ 14,802	\$ -	\$ 14,802	\$ -
1.05	Bridge Rehabilitation Program Phase II	28,600	-	28,600	-
1.05	Highway Improvements SR-71 Highway to Freeway Conversion (Caltrans) Phase II	4,585	-	4,585	7,268
1.05	Holt Avenue West Reconstruction	611,240	-	611,240	-
1.05	Major Street Rehab CW FY14 through FY16	252,234	67,967	184,267	72,925
1.05	Major Street Rehabilitation - 2015 Metro Call	162,890	-	162,890	-
1.05	Pomona Multi-Neighborhood Pedestrian and Bicycle Improvements	30,000	-	30,000	-
1.05	Purchase of Citywide Work Order System	10,000	-	10,000	10,000
1.05	Sidewalk - Penmar Lane CDBG FY17 to FY18	-	-	-	836
1.05	Street and Maintenance - Graffiti Abatement	164,290	107,620	56,670	111,810
1.05	Street Improvements - Citywide FY16 to FY18	30,000	-	30,000	-
1.05	Street Preservation Local Citywide (FY17-18)	3,570	3,569	1	102,643
1.05	Street Preservation Local Citywide FY 19	808,961	667,306	141,655	-
1.05	Street Rehabilitation - District 1 and 6	316,621	-	316,621	-
1.05	Street Rehabilitation - District 2 and 3	296,399	-	296,399	35,395
1.05	Street Rehabilitation - District 4 and 5	949,190	128,699	820,491	7,877
1.05	Street Rehabilitation - District 6	3,683	-	3,683	-
1.05	Street Repair and Maintenance - Street Tree Maintenance	5,964	5,985	(21)	4,355
1.05	Street Repair and Maintenance - Median Maintenance	109,489	108,589	900	100,361
1.05	Street Repair and Maintenance - Right-of-Way Clean Ups	24,818	13,950	10,868	20,461
1.05	Street Repair and Maintenance - Road Repair with Asphalt and Concrete	668,646	643,724	24,922	590,802
1.05	Street Repair and Maintenance-Street Sweeping/ (Maintenance to Preserve the Operation of Public Right-Of-Way)	114,219	114,219	-	106,686
1.05	Street Repair and Maintenance - Traffic Paint and Sign	142,631	127,158	15,473	127,969
2.03	Maintain Traffic Signals	294,681	271,400	23,281	327,637
2.03	Traffic Operations - Communication Upgrade	55,439	-	55,439	-
2.03	Traffic Signal - Village Loop Road and Santa Clara Drive Project	3,551	-	3,551	-
2.29	Traffic Operations - Communication Upgrade	-	-	-	21,691
3.05	Bike Path - San Jose Creek	31,304	-	31,304	-
3.20	ADA Curb Ramp and Sidewalk Compliance Program Citywide	3,000	-	3,000	3,000
3.20	ADA Path of Travel - Citywide (CDBG) (FY14-15 to FY16-17)	35,000	-	35,000	15,422
8.10	Fund Administration	46,137	46,137	-	59,039
Total expenditures		\$ 5,221,944	\$ 2,306,323	\$ 2,915,621	\$ 1,726,177

See report of independent auditors.

City of Pomona
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
09/23/2014	Accushot Epoxy Machine with Trailer	\$ 1,530	\$ -	\$ -	\$ 1,530
06/08/2015	Message Board	2,598	-	-	2,598
06/23/2015	Zieman 1185 Trailer	1,521	-	-	1,521
12/16/2015	Sidewalk Grinder	4,879	-	-	4,879
06/13/2016	Paint Shaker Gyro Multi 110V	5,994	-	-	5,994
03/19/2019	Hydrotek Hot Water Skid	5,353	-	-	5,353
6/16/2020	Graco Automatic Striper	-	5,000	-	5,000
	Total	\$ 21,875	\$ 5,000	\$ -	\$ 26,875

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Cash and investments	\$	1,393,746	\$ 1,382,472
Interest receivable		-	6,369
Total assets	\$	<u>1,393,746</u>	<u>\$ 1,388,841</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	118,033	\$ 74,589
Accrued payroll and employee benefits		17,255	6,391
Total liabilities		<u>135,288</u>	<u>80,980</u>
Fund balance			
Restricted		<u>1,258,458</u>	<u>1,307,861</u>
Total fund balance		<u>1,258,458</u>	<u>1,307,861</u>
Total liabilities and fund balance	\$	<u>1,393,746</u>	<u>\$ 1,388,841</u>

See notes to Funds financial statements.

City of Pomona
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2020	2019
Revenues		
Measure M	\$ 2,100,905	\$ 2,185,437
Investment income	6,183	37,873
Total revenues	2,107,088	2,223,310
Expenditures		
Various projects	2,156,491	2,475,665
Total expenditures	2,156,491	2,475,665
Deficiency of revenues over expenditures	(49,403)	(252,355)
Fund balance at beginning of year	1,307,861	1,560,216
Fund balance at end of year	\$ 1,258,458	\$ 1,307,861

See notes to Funds financial statements.

City of Pomona
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and LACMTA Approved Project Budget
Year ended June 30, 2020
(With Comparative Actuals for 2019)

Project Code	Project Name	2020			2019 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
1.05	Major Street Rehab - 2015 Metro Call	\$ 563,491	\$ -	\$ 563,491	\$ -
1.05	Street Rehab District 1 and District 6	50,000	-	50,000	-
1.05	Road Repair with Asphalt and Concrete Repairs Citywide	-	-	-	66,994
1.05	Street Repair and Maintenance - Graffiti Abatement	142,351	119,863	22,488	108,711
1.05	Street Repair and Maintenance - Median Maintenance	112,299	112,299	-	100,362
1.05	Street Repair and Maintenance - Right-of-Way Clean Ups	24,698	13,949	10,749	20,428
1.05	Street Repair and Maintenance - Street Tree Maintenance	5,965	5,965	-	4,289
1.05	Street Repair and Maintenance - Traffic Paint and Sign	40,000	31,123	8,877	23,340
1.05	Street Repair and Maintenance - Street Sweeping	114,233	114,170	63	109,167
1.05	Street Repair and Maintenance - Road Repaid with Asphalt and Concrete	115,000	10,000	105,000	-
1.05	Traffic Signal Improvement - Towne Ave & Philadelphia	50,000	-	50,000	-
1.90	1/2 Ton Utility Truck (Replace Unit #34748)	40,000	-	40,000	-
1.90	1/2 Ton Utility Truck (Replace Unit #34767)	40,000	-	40,000	-
1.90	3-Ton Asphalt Roller	60,000	44,630	15,370	-
1.90	ADA Compliance Program - Transition Plan	85,000	-	85,000	-
1.90	ADA Curb Ramps and Sidewalks Compliance Program	205,000	-	205,000	85,000
1.90	Pomona Multi-Neighborhood Pedestrian and Bicycle Improvements	30,000	-	30,000	-
1.90	Purchase of Citywide Work Order System	75,000	-	75,000	-
1.90	Purchase of New Street and Road Maintenance Truck	-	-	-	100,979
1.90	Street Preservation Local Citywide FY18	1,224,576	-	1,224,576	1,624,050
1.90	Street Preservation Local Citywide FY19	1,273,763	1,273,763	-	-
1.90	SUV (replacement Unit #34270)	40,000	-	40,000	-
1.90	Work Order System Inventory and GIS	5,600	-	5,600	-
2.01	Traffic Safety Improvements - At Grade Crossing	120,000	-	120,000	-
2.01	Traffic Signal - Countdown Ped Heads	25,000	118	24,882	-
2.01	Traffic Signal Improvements - Towne Avenue and Philadelphia	50,000	-	50,000	-
2.01	Traffic Signal - Fairplex Dr and Arroyo Dr	50,000	-	50,000	-
2.03	Traffic Signal Maintenance	350,122	115,567	234,555	113,495
2.09	Purchase of New Boom Truck (Carry-Over)	214,812	216,283	(1,471)	-
7.90	Purchase of Vehicle for Inspections and Road Related Improvements	-	-	-	28,833
8.10	Fund Administration	159,247	98,761	60,486	90,017
Total expenditures \$		5,266,157	\$ 2,156,491	\$ 3,109,666	\$ 2,475,665

See report of independent auditors.

City of Pomona
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2020

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
3/19/2019	Gas Powered Drill	\$ 5,201	\$ -	\$ -	5,201
2/26/2019	2019 Ford F250 with Flat Bed and Liftgate	36,981	-	-	36,981
3/5/2019	2019 Ford Escape	28,833	-	-	28,833
3/5/2019	2019 Ford F-150	33,723	-	-	33,723
3/5/2019	2019 Ford F-250	30,274	-	-	30,274
3/19/2019	Hydrotek Hot Water Skid	5,353	-	-	5,353
11/12/19	2019 Asphalt Roller	-	35,859	-	35,859
2/4/2020	2019 Trailer	-	8,770	-	8,770
10/8/19	2019 Ford F-550	-	106,525	-	106,525
10/8/19	2019 Ford F-550	-	109,758	-	109,758
	Total	<u>\$ 140,365</u>	<u>\$ 260,912</u>	<u>\$ -</u>	<u>\$ 401,277</u>

See report of independent auditors.

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

		June 30	
		2020	2019
ASSETS			
Due from LACMTA	\$	165,494	\$ 250,679
Interest receivable		53	-
	Total assets	\$ 165,547	\$ 250,679
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Cash overdraft	\$	45,381	\$ 136,138
Accounts payable		-	16,605
	Total liabilities	45,381	152,743
 Deferred inflows of resources			
Unavailable revenues		119,751	53,679
	Total deferred inflows of resources	119,751	53,679
 Fund balance			
Restricted		415	44,257
	Total fund balance	415	44,257
	Total liabilities, deferred inflows of resources and fund balance	\$ 165,547	\$ 250,679

See notes to Funds financial statements.

City of Pomona
Transportation Development Act Article 3 Fund
Pursuant to Public Utilities Code Section 99234
Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2020	2019
Revenues		
Intergovernmental Allocations:		
Article 3	\$ 45,743	\$ 197,000
Investment income	415	-
Total revenues	46,158	197,000
Expenditures		
Construction/Maintenance	90,000	103,000
Total expenditures	90,000	103,000
Excess (deficiency) of revenues over expenditures	(43,842)	94,000
Fund balance (deficit) at beginning of year	44,257	(49,743)
Fund balance at end of year	\$ 415	\$ 44,257

See notes to Funds financial statements.

City of Pomona
Transportation Development Act Article 3 Fund
Pursuant to Public Utilities Code Section 99234
Supplementary Information
Schedule of Transportation Development Act Allocation for Specific Projects
Year ended June 30, 2020

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Side-Walk Concrete Repair Services City	2020	\$ 45,743	\$ 90,000	\$ (44,257)	Completed
Totals		<u>\$ 45,743</u>	<u>\$ 90,000</u>	(44,257)	
Interest income				415	
Fund balance at beginning of year				<u>44,257</u>	
Fund balance at end of year				<u>\$ 415</u>	*

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

See report of independent auditors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The operations of the Proposition A Local Return Fund (PALRF), the Proposition C Local Return Fund (PCLRF), the Measure R Local Return Fund (MRLRF), the Measure M Local Return Fund (MMLRF) and the Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds) of the City of Pomona (the City) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues and expenditures.

PALRF and PCLRF represent 25% and 20%, respectively, of the ½ cent Proposition A and ½ cent Proposition C sales taxes which are distributed to the jurisdictions within Los Angeles County based on population and must be used exclusively for transportation related programs and projects.

MRLRF is derived from 15% of the county-wide ½ cent Measure R sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

MMLRF is derived from 17% of the county-wide ½ cent Measure M sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

TDAA3F is a Special Revenue Fund that accounts for the City's share of the Transportation Development Act Article 3 allocations which are legally restricted for specific purposes.

Basis of Accounting and Measurement Focus

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F are reported as Special Revenue Funds of the City and are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become "susceptible to accrual", that is, measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred.

Special Revenue Funds are reported on a spending or "financial flow" measurement focus. This means that generally, only current assets, current liabilities and deferred inflows and outflows of resources are included on their balance sheets. Statements of revenues, expenditures and changes in fund balances for Special Revenue Funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by LACMTA and are presented in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investments at fair value and recognizes unrealized gain (loss) on investments.

Refer to the City's Comprehensive Annual Financial Report (CAFR) for detailed disclosures regarding the City's investments policy and fair value measurement disclosures.

Fund Balance Reporting

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F report the following fund balance classification as of June 30, 2020 and 2019:

- Restricted - Amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The use of the Funds' remaining fund balances are restricted for projects approved by LACMTA.

Information regarding the fund balance reporting policy adopted by the City is described in the City's CAFR.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and deferred inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources reported by the City represent resources that are not available for spending as of June 30, 2020 and 2019.

NOTE 2 ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F, and do not purport to, and do not present fairly the City's financial position as of June 30, 2020 and 2019, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

NOTE 3 PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

The Proposition A Ordinance requires that Local Return (LR) funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded with other Jurisdictions in exchange for general or other funds.

The Proposition C Ordinance directs that LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C LR funds cannot be traded.

Proposition A and Proposition C LR funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated.

In accordance with *Proposition A and Proposition C Local Return Program Guidelines*, funds received pursuant to these guidelines may only be used for Proposition A and Proposition C Local Return approved programs. See accompanying Compliance Matrix.

NOTE 4 MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

The Measure R Ordinance specifies that LR funds be used exclusively for transportation purposes.

Measure R LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

In accordance with *Measure R Local Return Program Guidelines*, funds received pursuant to these guidelines may only be used for Measure R Local Return approved programs. See accompanying Compliance Matrix.

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Los Angeles County Traffic Improvement Plan Ordinance approved by the Metro Board of Directors on June 23, 2016. The Measure M Ordinance specifies that LR funds be used exclusively for transportation purposes.

Measure M LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

In accordance with *Measure M Local Return Program Guidelines*, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

NOTE 6 TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

In accordance with *Public Utilities Code Section 99234*, funds received pursuant to this Code's section may only be used for activities relating to pedestrians and bicycle facilities. See accompanying Compliance Matrix.

NOTE 7 CASH AND INVESTMENTS

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F cash balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average quarterly balances to the total of the pooled cash and investments.

Please refer to the City's CAFR for a full description of risks relating to cash and investments.

NOTE 8 DUE FROM OTHER GOVERNMENT AGENCIES

Due from other government agencies as of June 30, 2020 and 2019 consisted of the following:

PALRF

		<u>2020</u>		<u>2019</u>
City of Hidden Hills – Fund exchange	\$	-	\$	120,000
State of California – SB90		22,807		22,807
	\$	<u>22,807</u>	\$	<u>142,807</u>

NOTE 9 PROPOSITION A FUND EXCHANGE

As permitted by the Local Return Guidelines and as approved by LACMTA, the City entered into agreements with various cities to exchange the City's general fund monies with other cities' uncommitted Proposition A monies. The amounts received were recorded under PALRF.

For the year ended December 31, 2019, the City has the following fund exchanges:

- In May 2019, the City entered into an agreement with the City of Diamond Bar to exchange general fund monies amounting to \$727,500 for \$970,000 or \$0.75 general fund per \$1 of PALRF monies.
- In June 2019, the City entered into an agreement with the City of Hidden Hills to exchange general fund monies amounting to \$84,000 for \$120,000 or \$0.70 general fund per \$1 of PALRF monies.

NOTE 10 OTHER REVENUES - PALRF

Other revenues under PALRF for the year ended June 30, 2020 and 2019, consist of the following:

	2020	2019
FOBP Sidewalk Trashcan	\$ 1,500	\$ -
Bus Stop Enhancement Program Grant*	-	35,000
Pomona Valley Transit Authority reimbursement	-	2,608
	\$ 1,500	\$ 37,608

* Bus Stop Enhancement Program Grant
The City entered into a Funding Agreement (No. 216-2590-6845) with Foothill Transit for the Bus Stop Enhancement Program (the Project) on January 13, 2016. The total designated amount for the project is \$35,000. The funds will be released to the City on a reimbursement basis in accordance with invoices submitted in support of the monthly progress report to Foothill Transit.

The City recognized \$35,000 of reimbursement for this project during the year ended June 30, 2019.

NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the Years Ended June 30, 2020 and 2019 consisted of the following:

		2020		2019
FY 2015/16 allocation	\$	-	\$	44,090
FY 2016/17 allocation		-		101,322
FY 2018/19 allocation		45,743		51,588
	\$	45,743	\$	197,000

NOTE 12 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED

In accordance with TDA Article 3 (SB821) Guidelines, funds which will not be spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by LACMTA. As of June 30, 2020 and 2019, the City has funds on reserve as follows:

		2020		2019
FY 2018/19 allocation	\$	7,936	\$	53,679
FY 2019/20 allocation		111,815		-
Total reserve	\$	119,751	\$	53,679

For FY 2019/20, any TDA Article 3 funds left on reserve for FY 2015/16 or prior, are subject to lapse if not claimed by the City by June 30, 2020. There were no funds that lapsed in FY 2019/20.

NOTE 13 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 events subsequent to June 30, 2020 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 14, 2020, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

**Report of Independent Auditors on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Pomona, 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 December 14, 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 the Funds' 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 Funds' financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

**Glendale, California
December 14, 2020**

COMPLIANCE SECTION

Report of Independent Auditors on Compliance

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

Report on Compliance

We have audited the compliance of the City of Pomona, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance with the Guidelines based on our audit. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guidelines. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M Local Return Program and Transportation Development Act Article 3 Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guidelines. However, our audit does not provide a legal determination of the City's compliance with the Guidelines.

Opinion

In our opinion, the City of Pomona, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2020.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance with the requirements, which are described in the accompanying Schedule of Findings and Questioned Costs as Findings #2020-001 to #2020-003. Our opinion is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as Finding #2020-003, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. 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.

**Glendale, California
December 14, 2020**

**City of Pomona
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
1. Uses the State Controller's Uniform System of Accounts and Records.	X				
2. Timely use of funds.	X				
3. Funds expended were approved and have not been substituted for property tax.	X				
4. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A)	X				
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X				
6. All on-going and carryover projects were reported in Form B.	X				
7. Annual Project Summary Report (Form B) was submitted timely.	X				
8. Annual Expenditure Report (Form C) was submitted timely.	X				
9. Cash or cash equivalents are maintained.	X				
10. Accounting procedures, record keeping and documentation are adequate.	X				
11. Pavement Management System (PMS) in place and being used for Street Maintenance or Improvement Projects Expenditures.		X			See Finding #2020-001
12. Local Return Account is credited for reimbursable expenditures.	X				
13. Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X		
14. Assurances and Understandings form was on file.	X				
15. Recreational Transit Form was submitted timely.		X			See Finding #2020-002

See report of independent auditors on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure R Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form One) was submitted timely.	X				
8. Expenditure Report (Form Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

See report of independent auditors on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure M Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form M-One) was submitted timely.	X				
8. Expenditure Report (Form M-Two) was submitted timely.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.	X				
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted timely.			X		

See report of independent auditors on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2020**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
D. Transportation Development Act Article 3 Fund					
1. Timely use of funds.		X			See Finding #2020-003
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				

See report of independent auditors on compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Pomona
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

PCLRF: Finding #2020-001

<p>Compliance Reference</p>	<p>Section II (C)(7) Pavement Management Systems (PMS) of the Proposition A and Proposition C Local Return Guidelines states that, "Jurisdictions are required to certify that they have conducted and maintain Pavement Management Systems (PMS) when proposing "Street Repair and Maintenance "or "Bikeway projects".</p> <p>"Self-certifications executed by the jurisdiction's Engineer or designated, registered civil engineer, must be submitted with Form A for new street maintenance or bikeway projects, or Form B (biannually) for ongoing projects, to satisfy "Street Repair and Maintenance" and "Bikeway" project eligibility criteria."</p> <p>"A Pavement Management System (PMS) Certification Form should be prepared and submitted to LACMTA with project codes 430, 440, 450 and 470."</p>
<p>Condition</p>	<p>The City did not submit a signed Pavement Management System (PMS) certification in FY 2019/20, which is required to be conducted and maintained every 3 years. The City's latest certification submitted to LACMTA on April 13, 2017 has a December 13, 2016 inventory update and review of pavement condition completion date which was already over three years as of June 30, 2020.</p> <p>A PMS Certification is required for the following PCLRF projects:</p> <ul style="list-style-type: none"> a) Project code 440-01, Bridge Rehabilitation Program; b) Project code 440-11, Street Preservation CW; c) Project code 450-04, Holt Ave West Reconstruction; d) Project code 450-10, ADA Compliance Program; and e) Project code 450-11, Highway Improvement – SR 71 Highway Conversion.
<p>Cause</p>	<p>The City has completed an inventory updated on December 13, 2019, however the Certification was not submitted at that time.</p>
<p>Effect</p>	<p>The City was not in compliance with respect to the certification of PMS in conformance with the criteria stipulated in the Local Return Guidelines. As such, any local return funds spent maybe required to be returned to the Local Return Funds.</p>

City of Pomona
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

PCLRF: Finding #2020-001 (Continued)

Recommendation	We recommend that the City submit to LACMTA a signed certification that it has a PMS for eligibility of its new or ongoing street maintenance or bikeway projects and keep it on file.
Management Response	<p>The City continues to be in compliance by renewing the PMS every three years and completing the inventory and assessment on December 13, 2019.</p> <p>The City will implement an internal deadline to submit PMS Certification as required by the Guidelines.</p>
Finding Corrected During the Audit	The City subsequently submitted the PMS Certification on November 3, 2020. No follow up is required.

City of Pomona
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

PALRF and PCLRF: Finding #2020-002

Compliance Reference	Section III (A) Reporting Requirements for Jurisdictions, Annual Expenditure Report (Form C) of the Proposition A and Proposition C Local Return Guidelines states that, for Jurisdictions with Recreational Transit projects, Jurisdictions are required to annually submit an accounting of Recreational Transit trips, destinations and costs. This information should be submitted along with the Form C, no later than October 15 after the fiscal year.
Condition	The Recreational Transit Services form was submitted on October 20, 2020, 5 days beyond the due date of October 15, 2020.
Cause	The finding was caused by an oversight by City staff.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend that the City establish procedures and internal controls to ensure that the Annual Recreational Transit Services form is submitted by October 15 as required by the Guidelines.
Management's Response	The City will implement an internal deadline to submit the Recreational Transit Service report along with the Form C deadline to LACMTA. The City will develop a checklist to ensure all items are submitted prior to the audit.
Finding Corrected During the Audit	The City subsequently submitted the Recreational Transit Services form. No follow up is required.

City of Pomona
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

TDAA3F: Finding #2020-003

Compliance Reference	TDA Article 3 Bicycle and Pedestrian Funds Funding Allocation Guidelines, General Guidelines, Funding, Lapsing and Accounting states that, "Agencies may only draw down the funds that they can spend during the fiscal year in which they were allocated. Agencies are not allowed to have a fund balance at the end of the fiscal year. Any funds drawn down and that remain unspent after the end of the fiscal year must be returned to LACMTA to be placed on reserve for the City under the fiscal year in which they were originally allocated. Agencies must also fully spend any interest accumulated by these funds by the end of the fiscal year in which the funds were allocated".
Condition	The City has unexpended and unencumbered fund balance amounting to \$415 as of June 30, 2020. This is a repeat finding from prior year's audit.
Cause	The City did not take into account the interest on TDA Article 3 funds.
Effect	The City was not in compliance with the TDA Article 3 Guidelines and is required to return the amount of \$415 that is neither expended nor encumbered as of June 30, 2020.
Recommendation	We recommend that the City return the unexpended funds to LACMTA consistent with the TDA Article 3 Guidelines.
Management's Response	The City will estimate interest and spend it according to TDA Article 3 Guidelines.
Finding Corrected During the Audit	LACMTA Program Manager granted the City an extension through June 30, 2021 to use the funds. No follow up is required.

EXIT CONFERENCE

An exit conference was held on December 14, 2020 with the City of Pomona representatives. Those in attendance were:

Vasquez and Company LLP representatives:

 Marialyn Salvador – Audit Senior Manager

 Ihab Fakhreddine – Audit Senior Auditor (BCA Watsonrice LLP)

City of Pomona representatives:

 Dustin Andolsen – Accounting Supervisor

 Claudia Huerta – Program Assistant

 Erica Carillo – Senior Accountant

 Jizelle Campos – Senior Management Analyst

Matters discussed:

Results of the audit disclosed instances of noncompliance with the LACMTA Guidelines.

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

 Linda Poliakon – Accounting Manager

 Dustin Andolsen – Accounting Supervisor

 Claudia Huerta – Program Assistant

 Erica Carillo – Senior Accountant



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