

***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, 2021 AND 2020***



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, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F of the City of Monrovia, California, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 7, 2021, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

Los Angeles, California
December 7, 2021

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and investments	\$ 644,655	\$ 174,275
Accounts receivable (Note 8)	<u>77,169</u>	<u>28,690</u>
Total assets	<u>\$ 721,824</u>	<u>\$ 202,965</u>
 AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 154,644	\$ 74,577
Total liabilities	<u>154,644</u>	<u>74,577</u>
 Deferred inflow of resources (Note 9)	 <u>75,695</u>	 <u>27,986</u>
Total deferred inflow of resources	<u>75,695</u>	<u>27,986</u>
 Fund Balance		
Restricted	<u>491,485</u>	<u>100,402</u>
Total fund balance	<u>491,485</u>	<u>100,402</u>
Total liabilities, deferred inflow of resources, and fund balance	<u>\$ 721,824</u>	<u>\$ 202,965</u>

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

	2021	2020
REVENUES		
Proposition A	\$ 775,208	\$ 752,233
Proposition A Discretionary Incentive Grant (Note 10)	45,352	81,937
Interest income	1,813	1,721
Project generated revenue (Note 11)	59,147	206,477
Los Angeles County grant reimbursement - Dial-A-Ride (Note 12)	61,314	67,438
Reimbursement from the City of Bradbury (Note 13)	8,449	8,449
Unrealized gain (loss) on investments	(83)	153
Total revenues	951,200	1,118,408
EXPENDITURES		
Various projects	560,117	1,072,445
Total expenditures	560,117	1,072,445
OTHER FINANCING SOURCE		
Sale of capital assets (Note 14)	-	39,400
Total other financing source	-	39,400
Excess of revenues over expenditures and other financing source	391,083	85,363
Fund balance at beginning of year	100,402	15,039
Fund balance at end of year	\$ 491,485	\$ 100,402

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, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
107	General Public Dial-A-Ride *	\$ 365,589	\$ 362,427	\$ 3,162	\$ 420,545
155	Recreational Transportation	15,900	-	15,900	7,181
324	GoMonrovia Mobility Plan **	393,013	191,250	201,763	638,193
470	SGVCOG Dues (Prev 06-270)	7,400	6,440	960	6,526
	Total expenditures	<u>\$ 781,902</u>	<u>\$ 560,117</u>	<u>\$ 221,785</u>	<u>\$ 1,072,445</u>

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

Metro Budget	\$ 365,589
Total expenditures	\$ 362,427
Less: Proposition A Discretionary Incentive Grant (Note 10)	(45,352)
Less: Los Angeles County grant reimbursement - Dial-a-Ride (Note 12)	(61,314)
Less: Reimbursement from City of Bradbury (Note 13)	<u>(8,449)</u>
General Public Dial-A-Ride expenditures, net	<u>247,312</u>
Actual variance positive	<u>\$ 118,277</u>

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

Metro Budget	\$ 393,013
Total expenditures	\$ 191,250
Less: Project generated revenue (Note 11)	<u>(59,147)</u>
GoMonrovia Mobility Plan expenditures, net	<u>132,103</u>
Actual variance positive	<u>\$ 260,910</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Dec-03	Bus Shelters	\$ 11,206	\$ -	\$ -	\$ 11,206
Aug-06	New Bus Shelters - Huntington	147,874	-	-	147,874
Jun-08	2 Bus Shelters - Huntington	72,708	-	-	72,708
Jun-15	Glavel Paratransit Dial-A-Ride Bus	82,862	-	-	82,862
Total		\$ 314,650	\$ -	\$ -	\$ 314,650

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See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Cash and investments	\$ 62,389	\$ 180,069
Cash and investments - 2016 Lease Revenue Bonds (Note 15)	198,948	726,667
Total assets	\$ 261,337	\$ 906,736
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 130,960
Accounts payable - 2016 Lease Revenue Bonds (Note 15)	23,839	104,027
Accrued payroll and benefits	435	411
Total liabilities	24,274	235,398
 Fund Balance		
Restricted	61,954	48,698
Restricted - 2016 Lease Revenue Bonds (Note 15)	175,109	622,640
Total fund balance	237,063	671,338
Total liabilities and fund balance	\$ 261,337	\$ 906,736

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

	2021	2020
REVENUES		
Proposition C	\$ 643,007	\$ 623,979
Interest income	1,976	16,613
Project generated revenue (Note 16)	124,011	161,690
Unrealized gain (loss) on investments	(6,120)	6,905
Los Angeles County DPW reimbursement (Note 17)	-	6,345
Total revenues	762,874	815,532
EXPENDITURES		
Various projects	1,197,149	1,780,453
Total expenditures	1,197,149	1,780,453
OTHER FINANCING SOURCE		
Sale of capital assets (Note 18)	-	103,800
Total other financing source	-	103,800
Deficiency of revenues over expenditures and other financing source	(434,275)	(861,121)
Fund balance at beginning of year	671,338	1,532,459
Fund balance at end of year	\$ 237,063	\$ 671,338

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, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
180	GoMonrovia Mobility Plan *	\$ 208,424	\$ 332,435	\$ (124,011)	\$ 483,520
180	Citywide Street Reconstruction Plan	395,328	395,328	-	395,329
470	SGVCOG Dues (Prev 06-270)	6,850	6,440	410	6,526
620	Direct Administration	17,546	17,780	(234)	16,096
	<i>Expenditures Funded by Proposition C Local Return Fund</i>	<u>628,148</u>	<u>751,983</u>	<u>(123,835)</u>	<u>901,471</u>
280	Monrovia Renewal Capital Project Expenditures (Note 15)	<u>394,419</u>	<u>445,166</u>	<u>(50,747)</u>	<u>878,982</u>
	<i>Expenditures Funded by the Lease Revenue Bonds</i>	<u>394,419</u>	<u>445,166</u>	<u>(50,747)</u>	<u>878,982</u>
	Total expenditures	<u>\$ 1,022,567</u>	<u>\$ 1,197,149</u>	<u>\$ (174,582)</u>	<u>\$ 1,780,453</u>

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

Metro Budget	\$ 208,424
Total expenditures	\$ 332,435
Less: Project generated revenue (Note 16)	<u>(124,011)</u>
GoMonrovia Mobility Plan expenditures, net	<u>208,424</u>
Actual variance	<u>\$ -</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
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 16-17	Monrovia Renewal North Construction in Progress	532,253	-	532,253	-
FY 16-17	Monrovia Renewal NE Construction in Progress	137,882	-	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
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
FY20-21	Monrovia Renewal NE Streets Prop C (Streets)	-	609,419	-	609,419
FY20-21	Monrovia Renewal N Streets Prop C (Streets)	-	1,082,862	-	1,082,862
FY20-21	Monrovia Renewal NE Streets Prop C (Sidewalks)	-	18,848	-	18,848
FY20-21	Monrovia Renewal N Streets Prop C (Sidewalks)	-	33,491	-	33,491
Total		<u>\$ 9,749,659</u>	<u>\$ 1,744,620</u>	<u>\$ 1,299,454</u>	<u>\$ 10,194,825</u>

See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Cash and investments	\$ 99,256	\$ 63,837
Cash and investments - 2016 Lease Revenue Bonds (Note 15)	167,860	512,227
Accounts receivable (Note 8)	-	3,076
Total assets	\$ 267,116	\$ 579,140
 LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable - 2016 Lease Revenue Bonds (Note 15)	\$ 15,170	\$ 73,884
Total liabilities	15,170	73,884
 Deferred inflow of resources (Note 9)		
Total deferred inflow of resources	-	2,492
 Fund Balance		
Restricted	99,256	64,421
Restricted - 2016 Lease Revenue Bonds (Note 15)	152,690	438,343
Total fund balance	251,946	502,764
Total liabilities, deferred inflow of resources, and fund balance	\$ 267,116	\$ 579,140

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Measure R	\$ 482,924	\$ 467,315
Interest income	2,053	15,748
Project generated revenue (Note 16)	-	41,506
Los Angeles County DPW reimbursement (Note 17)	-	6,345
Unrealized gain (loss) on investments	<u>(6,239)</u>	<u>7,163</u>
Total revenues	<u>478,738</u>	<u>538,077</u>
EXPENDITURES		
Various projects	<u>729,556</u>	<u>1,439,601</u>
Total expenditures	<u>729,556</u>	<u>1,439,601</u>
Deficiency of revenues over expenditures	(250,818)	(901,524)
Fund balance at beginning of year	<u>502,764</u>	<u>1,404,288</u>
Fund balance at end of year	<u>\$ 251,946</u>	<u>\$ 502,764</u>

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, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
705	GoMonrovia Program	\$ 6,791	\$ 940	\$ 5,851	\$ 143,344
705	Citywide Street Reconstruction Plan - Bond Debt Service Payments	395,328	395,328	-	395,328
705	Street Repair and Maintenance Program	50,000	50,000	-	50,000
	<i>Expenditures Funded by Measure R Local Return Fund</i>	<u>452,119</u>	<u>446,268</u>	<u>5,851</u>	<u>588,672</u>
705	Monrovia Renewal Capital Project Expenditures (Note 15)	394,419	283,288	111,131	850,929
	<i>Expenditures Funded by the Lease Revenue Bonds</i>	<u>394,419</u>	<u>283,288</u>	<u>111,131</u>	<u>850,929</u>
	Total expenditures	<u>\$ 846,538</u>	<u>\$ 729,556</u>	<u>\$ 116,982</u>	<u>\$ 1,439,601</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
FY 16-17	Monrovia Renewal North Construction in Progress	\$ 645,290	\$ -	\$ 645,290	\$ -
FY 16-17	Monrovia Renewal NE Construction in Progress	154,811	-	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 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
FY20-21	Monrovia Renewal N Streets Measure R (Streets)	-	1,189,447	-	1,189,447
FY20-21	Monrovia Renewal N Streets Measure R (Sidewalks)	-	36,787	-	36,787
FY20-21	Monrovia Renewal NE Streets Measure R (Streets)	-	539,257	-	539,257
FY20-21	Monrovia Renewal NE Streets Measure R (Sidewalks)	-	16,679	-	16,679
Total		\$ 7,407,762	\$ 1,782,170	\$ 1,498,882	\$ 7,691,050

See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Cash and investments	\$ 214,906	\$ 70,319
Total assets	\$ 214,906	\$ 70,319
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	214,906	70,319
Total fund balance	214,906	70,319
Total liabilities and fund balance	\$ 214,906	\$ 70,319

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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>2021</u>	<u>2020</u>
REVENUES		
Measure M	\$ 547,170	\$ 527,409
Interest income	628	1,700
Project generated revenue (Note 16)	-	49,640
Unrealized gain (loss) on investments	<u>(711)</u>	<u>799</u>
Total revenues	<u>547,087</u>	<u>579,548</u>
EXPENDITURES		
Various projects	<u>402,500</u>	<u>576,949</u>
Total expenditures	<u>402,500</u>	<u>576,949</u>
Excess of revenues over expenditures	144,587	2,599
Fund balance at beginning of year	<u>70,319</u>	<u>67,720</u>
Fund balance at end of year	<u>\$ 214,906</u>	<u>\$ 70,319</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, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
324	GoMonrovia Mobility Plan	\$ 97,264	\$ -	\$ 97,264	\$ 176,949
390	Vehicles Miles Traveled (VMT) Analysis	7,500	2,500	5,000	-
705	Street Repair and Maintenance Program	400,000	400,000	-	400,000
	Total expenditures	\$ 504,764	\$ 402,500	\$ 102,264	\$ 576,949

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See accompanying independent auditor's report.

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

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

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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

	2021	2020
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

	2021	2020
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	\$ -	\$ -

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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, 2021

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

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See accompanying independent auditor's report.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

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

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

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

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

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

Basis of Accounting and Measurement Focus

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

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

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are presented in accordance with accounting principles generally accepted in the United States of America.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

In accordance with Government Accounting Standard Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which became effective for the fiscal year ended June 30, 2016, the City categorizes its fair value measurement within the fair value hierarchy that is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Accordingly, the City reports its investment at fair value and recognizes unrealized gain (loss) on investments.

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

Fund Balance Reporting

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

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

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

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

Reclassification

Certain reclassifications have been made to fiscal year 2020 amounts in order to conform to the fiscal year 2021 presentation. Such reclassifications had no effect on the previously reported change in fund balance.

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, 2021 and 2020
(Continued)

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

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

NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

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

NOTE 5 – MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

NOTE 6 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 – CASH AND INVESTMENTS

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

NOTE 8 – ACCOUNTS RECEIVABLE - PALRF AND MRLRF

Accounts receivable under PALRF as of June 30, 2021 and 2020 consisted of the following:

	2021	2020
Metro	\$ 61,873	\$ 16,753
Los Angeles County Department of Public Works	8,372	11,937
LYFT, Inc.	6,924	-
Total	\$ <u>77,169</u>	\$ <u>28,690</u>

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

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

Accounts receivable under MRLRF as of June 30, 2020 consisted of amount due from Lyft, Inc. for the revenue from the GoMonrovia Mobility Plan Project in the amount of \$3,076.

NOTE 9 – DEFERRED INFLOW OF RESOURCES - PALRF AND MRLRF

The City recognizes revenue when the payments for services rendered become measurable and available. In fiscal years ended June 30, 2021 and 2020, 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, 2021 and 2020, the amounts are reported as deferred inflows of resources.

As of June 30, 2021, and 2020, the deferred inflows of resources under PALRF consists of reimbursements from the following:

	2021	2020
Proposition A Discretionary Incentive Grant	\$ 61,873	\$ 16,753
Los Angeles County Grant	8,372	11,233
LYFT, Inc	5,450	-
Total	\$ 75,695	\$ 27,986

Deferred inflows of resources under MRLRF as of June 30, 2020 consisted of reimbursement from Lyft, Inc. for the revenue from the GoMonrovia Mobility Plan Project in the amount of \$2,492.

NOTE 10 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT - PALRF

The Proposition A Discretionary Incentive Grant amounting to \$45,352 and \$81,937 for the years ended June 30, 2021 and 2020, 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.

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

NOTE 11 – PROJECT GENERATED REVENUE - PALRF

Project generated revenues for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Dial-A-Ride fares	\$ -	\$ 4,714
GoMonrovia fares	59,147	201,763
Total	\$ 59,147	\$ 206,477

The significant decrease in project generated revenue in fiscal year ended June 30, 2021 was caused by the coronavirus that adversely affected the operations and services of the City.

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, 2021 and June 30, 2020 for PALRF amounted to \$61,314 and \$67,438, respectively.,

NOTE 13 – 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, 2021 and June 30, 2020 for PALRF.

NOTE 14 – SALE OF CAPITAL ASSETS - PALRF

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

NOTE 15 – 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. Any interest income earned or unrealized gains or losses on investments related to the bonds are allocated equally between the two funds.

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

NOTE 15 – 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, 2021 and 2020 are as follows:

	<u>PCLRF</u>	<u>MRLRF</u>	<u>Total</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 280 Expenditures	(878,982)	-	(878,982)
FY 2020 MRLRF's Monrovia Renewal Capital Project Code 705 Expenditures	-	(850,929)	(850,929)
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>
Lease Revenue Fund Balance at June 30, 2020	726,667	512,227	1,238,894
Add:			
Interest Income	1,698	1,698	3,396
Unrealized loss on investments	(4,063)	(4,063)	(8,126)
Less:			
Accounts Payable at June 30, 2020	(104,027)	(73,884)	(177,911)
FY 2021 PCLRF's Monrovia Renewal Capital Project Code 280 Expenditures	(445,166)	-	(445,166)
FY 2021 MRLRF's Monrovia Renewal Capital Project Code 705 Expenditures	-	(283,288)	(283,288)
Lease Revenue Fund Balance at June 30, 2021	<u>175,109</u>	<u>152,690</u>	<u>327,799</u>
Add: Accounts Payable at June 30, 2021	<u>23,839</u>	<u>15,170</u>	<u>39,009</u>
Cash and investments – Restricted at June 30, 2021	<u><u>\$ 198,948</u></u>	<u><u>\$ 167,860</u></u>	<u><u>\$ 366,808</u></u>

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

NOTE 16 – PROJECT GENERATED REVENUE - PCLRF, MRLRF, AND MMLRF

Project generated revenues for the years ended June 30, 2021 and 2020 consisted of the following:

		2021		2020
GoMonrovia fares - PCLRF	\$	124,011	\$	161,690
GoMonrovia fares – MRLRF *		-		41,506
GoMonrovia fares – MMLRF *		-		49,640
Total	\$	124,011	\$	252,836

* There were no GoMonrovia fares for MRLRF and MMLRF due to the project’s operations were not significantly charged to MRLRF or not charged to MMLRF in fiscal year ended June 30, 2021.

NOTE 17 – 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 18 – SALE OF CAPITAL ASSETS - PCLRF

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

NOTE 19 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED

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

		2021		2020
FY 2018-19 allocation	\$	26,116	\$	26,116
FY 2019-20 allocation		28,004		28,004
FY 2020-21 allocation		21,486		-
Available reserve balance	\$	75,606	\$	54,120

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

NOTE 20 – IMPACT OF CORONAVIRUS

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

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

NOTE 21 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 7, 2021, the date the financial statements were available to be issued and concluded no other events have occurred that require disclosure or adjustments to the financial statements.

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**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, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Los Angeles, California
December 7, 2021

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COMPLIANCE SECTION

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, 2021.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Local Return Program and Transportation Development Act Article 3

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guidelines. Accordingly, this report is not suitable for any other purpose.

Los Angeles, California
December 7, 2021

CITY OF MONROVIA
COMPLIANCE MATRIX
Year Ended June 30, 2021

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

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

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

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Annual Expenditure Report (Form Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

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

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

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
1.	Funds were expended for transportation purposes.	X			None	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X	None	
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	

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

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

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

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
D. Transportation Development Act Article 3 Fund						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.			X	None	

DRAFT

CITY OF MONROVIA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2021

No findings were noted.

DRAFT

EXIT CONFERENCE

DRAFT

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, 2021

An exit conference was held on December 20, 2021 with the City of Monrovia. Those in attendance were:

Simpson & Simpson Representative:

John Longoria, Auditor

City's Representatives:

Rae Bowman, Deputy Administrative Services Director
Buffy Bullis, Administrative Services Director
Angela Liu, Accountant

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:

Rae Bowman, Deputy Administrative Services Director

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, 2021 AND 2020

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund for the years ended June 30, 2021 and 2020 for the City of Monrovia and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

DRAFT

Very truly yours,

Name

Title

Date