



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, 2021 and 2020
with Independent Auditor's Report**

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FINANCIAL SECTION

Independent Auditor's Report

**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, 2021 and 2020, 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.

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 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, 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.

Other Matter

As discussed in Note 12, the fiscal year 2020 financial statements of Proposition A Local Return Fund, Measure R Local Return Fund, and Measure M Local Return Fund have been restated to accrue interest income and to record payments of accounts payable. Our opinion is not modified with respect to this matter.

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

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

**Glendale, California
December 14, 2021**

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

		June 30	
		2021	(as restated) 2020
ASSETS			
Cash and investments	\$	3,392,612	\$ 2,632,011
Accounts receivable		2,000	2,000
Interest receivable		7,512	8,667
Due from other government agencies (Note 8)		10,743	22,807
Total assets	\$	3,412,867	\$ 2,665,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	101,472	\$ 43,485
Accrued payroll and employee benefits		2,557	5,187
Total liabilities		104,029	48,672
Deferred inflows of resources			
Unavailable revenues		-	22,807
Total deferred inflows of resources		-	22,807
Fund balance			
Restricted		3,308,838	2,594,006
Total fund balance		3,308,838	2,594,006
Total liabilities, deferred inflows of resources and fund balance	\$	3,412,867	\$ 2,665,485

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	
	2021	(as restated) 2020
Revenues		
Proposition A	\$ 3,104,734	\$ 3,004,621
Investment income	5,825	69,947
Get About Subsidy	-	10,000
FOPB Sidewalk Trashcan	6,000	1,500
Total revenues	3,116,559	3,086,068
 Expenditures		
Various projects	2,401,727	3,516,542
Total expenditures	2,401,727	3,516,542
 Excess (deficiency) of revenues over expenditures	 714,832	 (430,474)
 Fund balance at beginning of year	 2,594,006	 3,024,480
 Fund balance at end of year	 \$ 3,308,838	 \$ 2,594,006

See notes to Funds financial statements.

City of Pomona
Proposition A Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
106	PVTA - Get About	\$ 1,770,000	\$ 1,145,729	\$ 624,271	\$ 1,766,824
135	MTA Bus Pass Subsidy	168,750	1,910	166,840	106,616
155	Recreational Transit	-	-	-	12,906
170	Metrolink Maintenance (2 Stations)	269,067	111,887	157,180	91,206
170	Bus Stop Shelter Maintenance	161,978	161,978	-	158,024
170	Metrolink Utilities (2 Stations)	64,587	65,177	(590)	64,246
205	Street Rehab District 475	203,943	54,578	149,365	-
251	Metrolink Security	409,642	393,927	15,715	336,548
280	Transit Improvement Program - Citywide	1,581,130	76,473	1,504,657	-
280	Transit Improvement Program - Goldline CIP	-	-	-	39,760
280	Safety Improvement at Grade Crossing 68551	12,199	8,746	3,453	37,800
280	Pomona Transit Bridge Improvement and Beautification CIP 428-67927	261,832	228,220	33,612	743,259
610	Administration	196,191	153,102	43,089	159,353
	Total expenditures	\$ 5,099,319	\$ 2,401,727	\$ 2,697,592	\$ 3,516,542

See Independent Auditor's Report.

City of Pomona
Proposition A Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

Date Acquired	Description	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
N/A	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report.

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

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	11,135,877	\$ 9,882,206
Interest receivable		25,617	32,755
		Total assets	\$ 9,914,961
		11,161,494	\$ 9,914,961
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	21,798	\$ 300
Accrued payroll and employee benefits		1,551	4,001
		Total liabilities	4,301
		23,349	4,301
Fund balance			
Restricted - Capital reserve (Note 9)		5,010,545	-
Restricted		6,127,600	9,910,660
		Total fund balance	9,910,660
		11,138,145	9,910,660
		Total liabilities and fund balance	\$ 9,914,961
		11,161,494	\$ 9,914,961

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	
	2021	2020
Revenues		
Proposition C	\$ 2,575,266	\$ 2,492,340
Investment income	9,780	255,096
Total revenues	2,585,046	2,747,436
Expenditures		
Various projects	1,357,561	411,142
Total expenditures	1,357,561	411,142
Excess of revenues over expenditures	1,227,485	2,336,294
Fund balance at beginning of year	9,910,660	7,574,366
Fund balance at end of year	\$ 11,138,145	\$ 9,910,660

See notes to Funds financial statements.

City of Pomona
Proposition C Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
180	Technology - Work Order/Management System CIP 71060 (Previously Named Gold Line Station Feasibility Analysis)	\$ 10,000	\$ -	\$ 10,000	\$ -
251	Street Improvements - Hamilton Underpass at UPRR	-	-	-	6,856
620	Administration	127,686	114,410	13,276	82,228
705	TSSP Project - Valley Blvd/Holt Ave CIP 428-76026	434,852	3,481	431,371	-
705	Traffic Signal Improvements - Towne Avenue and Philadelphia	-	-	-	1,484
705	Bridge Rehabilitation Program	42,991	1,684	41,307	797
705	Street Repair, resurfacing, maintenance, striping	73,702	30,140	43,562	-
705	Street Preservation CW FY16-17	-	-	-	8,825
705	Holt Ave West Reconstruction	4,220,327	84,024	4,136,303	83,250
705	Traffic Signal Improvements - Battery Backup System	182,518	5,945	176,573	8,003
715	Street Rehab D1 and D6	200,000	155	199,845	-
715	ADA Compliance Program	-	-	-	125,000
715	Highway Improvement - SR 71 Highway Conversion	25,524	11,004	14,520	21,973
715	ADA Curb Ramps and PATH Travel FY19-20	50,000	50,000	-	-
781	Major Street Rehabilitation - 2015 Metro Call	2,618,141	995,984	1,622,157	72,726
880	Engineering and Traffic Survey CW	75,000	60,734	14,266	-
Total expenditures		\$ 8,060,741	\$ 1,357,561	\$ 6,703,180	\$ 411,142

See Independent Auditor's Report.

City of Pomona
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

Date Acquired	Description	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
N/A	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See Independent Auditor's Report.

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

		June 30	
		2021	(as restated) 2020
ASSETS			
Cash and investments	\$	3,323,937	\$ 2,883,142
Interest receivable		7,323	8,610
Total assets	\$	3,331,260	\$ 2,891,752
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	65,197	\$ 124,811
Accrued payroll and employee benefits		20,624	34,390
Total liabilities		85,821	159,201
Fund balance			
Restricted		3,245,439	2,732,551
Total fund balance		3,245,439	2,732,551
Total liabilities and fund balance	\$	3,331,260	\$ 2,891,752

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	
	2021	(as restated) 2020
Revenues		
Measure R	\$ 1,934,126	\$ 1,866,581
Investment income	2,777	74,138
Other revenue - insurance recovery	-	460
Total revenues	1,936,903	1,941,179
 Expenditures		
Various projects	1,424,015	2,306,323
Total expenditures	1,424,015	2,306,323
 Excess (deficiency) of revenues over expenditures	512,888	(365,144)
 Fund balance at beginning of year	2,732,551	3,097,695
 Fund balance at end of year	\$ 3,245,439	\$ 2,732,551

See notes to Funds financial statements.

City of Pomona
Measure R Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021		Variance Positive (Negative)	2020 Actual
		Metro Budget	Actual		
304	Maintain Traffic Signals	\$ 439,998	\$ 421,314	\$ 18,684	\$ 271,400
630	Fund Administration	93,220	100,834	(7,614)	46,137
705	Alley Improvements - Citywide CDBG FY15 to FY17	14,802	266	14,536	-
705	Major Street Rehab CW FY14 through FY16	104,266	3,001	101,265	67,967
705	Street and Maintenance - Graffiti Abatement	160,721	132,006	28,715	107,620
705	Street Preservation Local Citywide (FY17-18)	-	-	-	3,569
705	Street Preservation Local Citywide FY 19	141,656	136,747	4,909	667,306
705	Street Rehabilitation - District 4 and 5	820,491	70,363	750,128	128,699
705	Street Rehabilitation - District 6	43,683	43,683	-	-
705	Street Repair and Maintenance - Street Tree Maintenance	9,689	7,306	2,383	5,985
705	Street Repair and Maintenance - Median Maintenance	124,836	133,380	(8,544)	108,589
705	Street Repair and Maintenance - Right-of-Way Clean Ups	19,297	14,388	4,909	13,950
705	Street Repair and Maintenance - Road Repair with Asphalt and Concrete	129,380	99,367	30,013	643,724
705	Street Repair and Maintenance-Street Sweeping/ (Maintenance to Preserve the Operation of Public Right-Of-Way)	127,896	127,902	(6)	114,219
705	Street Repair and Maintenance - Traffic Paint and Sign	160,269	133,458	26,811	127,158
	Total expenditures	\$ 2,390,204	\$ 1,424,015	\$ 966,189	\$ 2,306,323

See Independent Auditor's Report.

City of Pomona
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</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
06/16/2020	Graco Automatic Striper	5,000	-	-	5,000
08/10/2021	Graphic Cutter Plotter	-	1,001	-	1,001
Total		\$ 26,875	\$ 1,001	\$ -	\$ 27,876

See Independent Auditor's Report.

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

		June 30	
		2021	(as restated) 2020
ASSETS			
Cash and investments	\$	2,260,073	\$ 1,403,948
Interest receivable		4,679	3,802
Total assets	\$	2,264,752	\$ 1,407,750
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	121,169	\$ 107,289
Accrued payroll and employee benefits		17,511	17,255
Total liabilities		138,680	124,544
Fund balance			
Restricted		2,126,072	1,283,206
Total fund balance		2,126,072	1,283,206
Total liabilities and fund balance	\$	2,264,752	\$ 1,407,750

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	
	2021	(as restated) 2020
Revenues		
Measure M	\$ 2,191,436	\$ 2,100,905
Investment income	8,136	30,931
Total revenues	2,199,572	2,131,836
 Expenditures		
Various projects	1,356,706	2,156,491
Total expenditures	1,356,706	2,156,491
 Excess (deficiency) of revenues over expenditures	 842,866	 (24,655)
 Fund balance at beginning of year	 1,283,206	 1,307,861
 Fund balance at end of year	 \$ 2,126,072	 \$ 1,283,206

See notes to Funds financial statements.

City of Pomona
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2021
(With Comparative Actuals for 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
210	3-Ton Asphalt Roller	\$ -	\$ -	\$ -	44,630
210	Purchase of New Boom Truck (Carry-Over)	-	-	-	216,283
301	Traffic Signal - Countdown Ped Heads	24,882	7	24,875	118
301	Traffic Signal Improvements - Towne Avenue and Philadelphia	50,000	17,382	32,618	-
304	Traffic Signal Maintenance	135,800	135,263	537	115,567
640	Fund Administration	108,498	94,401	14,097	98,761
705	Street Repair and Maintenance - Graffiti Abatement	131,342	98,844	32,498	119,863
705	Street Repair and Maintenance - Median Maintenance	124,836	133,524	(8,688)	112,299
705	Street Repair and Maintenance - Right-of-Way Clean Ups	19,167	14,381	4,786	13,949
705	Street Repair and Maintenance - Street Tree Maintenance	9,689	7,306	2,383	5,965
705	Street Repair and Maintenance - Traffic Paint and Sign	40,000	36,781	3,219	31,123
705	Street Repair and Maintenance - Street Sweeping	118,104	123,905	(5,801)	114,170
705	Street Repair and Maintenance - Road Repaid with Asphalt and Concrete	648,690	590,044	58,646	10,000
705	Street Preservation Local Citywide FY19	-	-	-	1,273,763
990	ADA Curb Ramps and Sidewalks Compliance Program	205,000	104,868	100,132	-
Total expenditures		\$ 1,616,008	\$ 1,356,706	\$ 259,302	\$ 2,156,491

See Independent Auditor's Report.

City of Pomona
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2021

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
03/19/2019	Gas Powered Drill	\$ 5,201	\$ -	\$ -	5,201
02/26/2019	2019 Ford F250 with Flat Bed and Liftgate	36,981	-	-	36,981
03/05/2019	2019 Ford Escape	28,833	-	-	28,833
03/05/2019	2019 Ford F-150	33,723	-	-	33,723
03/05/2019	2019 Ford F-250	30,274	-	-	30,274
03/19/2019	Hydrotek Hot Water Skid	5,353	-	-	5,353
11/12/2019	2019 Asphalt Roller	35,859	-	-	35,859
02/04/2020	2019 Trailer	8,770	-	-	8,770
10/08/2019	2019 Ford F-550	106,525	-	-	106,525
10/08/2019	2019 Ford F-550	109,758	-	-	109,758
08/10/2021	Graphic Cutter Plotter	-	5,895	-	5,895
Total		\$ 401,277	\$ 5,895	\$ -	\$ 407,172

See Independent Auditor's Report.

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

		June 30	
		2021	2020
ASSETS			
Cash and Investment	\$	364	\$ -
Due from Metro		115,739	165,494
Interest receivable		-	53
Total assets	\$	116,103	\$ 165,547
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE			
Liabilities			
Cash overdraft	\$	-	\$ 45,381
Total liabilities		-	45,381
 Deferred inflows of resources			
Unavailable revenues		115,739	119,751
Total deferred inflows of resources		115,739	119,751
 Fund balance			
Restricted		364	415
Total fund balance		364	415
Total liabilities, deferred inflows of resources and fund balance	\$	116,103	\$ 165,547

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	
	2021	2020
Revenues		
Intergovernmental Allocations:		
Article 3	\$ 90,000	\$ 45,743
Investment income (loss)	(51)	415
Total revenues	89,949	46,158
 Expenditures		
Construction/Maintenance	90,000	90,000
Total expenditures	90,000	90,000
 Deficiency of revenues over expenditures	(51)	(43,842)
 Fund balance at beginning of year	415	44,257
 Fund balance at end of year	\$ 364	\$ 415

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, 2021

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
Side-Walk Concrete Repair Services City-Wide	2021	\$ 90,000	\$ 90,000	\$ -	Completed
Totals		<u>\$ 90,000</u>	<u>\$ 90,000</u>	-	
Investment income (loss)				(51)	
Fund balance at beginning of year				<u>415</u>	
Fund balance at end of year				<u>\$ 364</u>	*

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

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 Metro 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 Annual Comprehensive Financial Report (ACFR) 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, 2021 and 2020:

- 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 Metro.

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

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, 2021 and 2020.

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, 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.

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 ACFR 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, 2021 and 2020 consisted of the following:

PALRF

	2021		2020
Pomona Valley Transit Authority Reimbursement	\$ 10,743	\$	-
State of California – SB90	-		22,807
	\$ 10,743	\$	22,807

NOTE 9 CAPITAL RESERVE AGREEMENT – PCLRF

In June 2021, Metro and the City entered into a capital reserve agreement to establish a \$6,000,000 capital reserve account for the City's Major Street Rehabilitation Project.

As of and for the year ended June 30, 2021, the capital reserve amount and transactions were as follows:

Capital reserve account set-up	\$	6,000,000
Interest income earned		6,529
Expenditures during the year		(995,984)
Capital reserve, June 30, 2021	\$	<u>5,010,545</u>

NOTE 10 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the Years Ended June 30, 2021 and 2020 consisted of the following:

		<u>2021</u>		<u>2020</u>
FY 2018/19 allocation	\$	<u>7,936</u>	\$	45,743
FY 2019/20 allocation		<u>82,064</u>		-
	\$	<u>90,000</u>	\$	<u>45,743</u>

NOTE 11 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 Metro. As of June 30, 2021 and 2020, the City has funds on reserve as follows:

		<u>2021</u>		<u>2020</u>
FY 2018/19 allocation	\$	<u>-</u>	\$	7,936
FY 2019/20 allocation		<u>29,751</u>		111,815
FY 2020/21 allocation		<u>85,988</u>		-
Total reserve	\$	<u>115,739</u>	\$	<u>119,751</u>

For FY 2020/21, any TDA Article 3 funds left on reserve for FY 2016/17 or prior, are subject to lapse if not claimed by the City by June 30, 2021. There were no funds that lapsed in FY 2020/21.

NOTE 12 RESTATEMENT OF 2020 FUND FINANCIAL STATEMENTS

The 2020 financial statements were restated to recognize additional investment income and payment of accounts payable on the following funds:

PALRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	\$ 2,591,546	\$ 40,465	\$ 2,632,011
Interest receivable	-	8,667	8,667
Accounts payable	43,958	(473)	43,485
Fund balance	2,544,401	49,605	2,594,006
Investment income	20,342	49,605	69,947

MRLRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	\$ 2,853,466	\$ 29,676	\$ 2,883,142
Interest receivable	-	8,610	8,610
Accounts payable	139,015	(14,204)	124,811
Fund balance	2,680,061	52,490	2,732,551
Investment income	21,648	52,490	74,138

MMLRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	\$ 1,393,746	\$ 10,202	\$ 1,403,948
Interest receivable	-	3,802	3,802
Accounts payable	118,033	(10,744)	107,289
Fund balance	1,258,458	24,748	1,283,206
Investment income	6,183	24,748	30,931

NOTE 13 IMPACT OF CORONAVIRUS

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

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

NOTE 14 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2021 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 14, 2021, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**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 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, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 14, 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 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 "Vaquero & Company LLP". The signature is written in a cursive, flowing style.

**Glendale, California
December 14, 2021**

COMPLIANCE SECTION

Independent Auditor's Report 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 City of Pomona, California's (the City) compliance 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, 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 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, 2021.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance with the requirements, which is described in the accompanying Schedule of Findings and Questioned Costs as Findings #2021-001. Our opinion is not modified with respect to this matter.

The City's response to the noncompliance 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.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as Finding #2021-001, to be a material weakness.



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.

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

Glendale, California
December 14, 2021

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

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 or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X				
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				
3. Funds were expended with Metro's approval and were not substituted for property tax.	X				
4. Timely use of funds.	X				
5. Administrative expenses are within the 20% cap.	X				
6. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.	X				
7. Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X				
8. Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X				
9. Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X				
10. Local Return Account is credited for reimbursable expenditures.			X		
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		
12. Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.			X		

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

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. 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				
2. Recreational transit form was submitted on time.	X				
3. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
4. Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X				
5. All on-going and carryover projects were reported on Form B or electronic equivalent.	X				
6. Cash or cash equivalents are maintained.	X				
7. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

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. Separate Measure R Local Return Account was established.	X				
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
4. Funds were expended with Metro's approval.	X				
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X				
6. Timely use of funds.	X				
7. Administrative expenses are within the 20% cap.	X				
8. Expenditure Plan (Form One or electronic equivalent) was submitted timely.	X				
9. Annual Expenditure Report (Form Two or electronic equivalent) was submitted timely.	X				
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		
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		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X		
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	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		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

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. Separate Measure M Local Return Account was established.	X				
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X				
4. Funds were expended with Metro's approval.	X				
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X				
6. Timely use of funds.	X				
7. Administrative expenses are within the 20% cap.	X				
8. Expenditure Plan (Form M-One or electronic equivalent) was submitted timely.	X				
9. Expenditure Report (Form M-Two or electronic equivalent) was submitted timely.	X				
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		
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		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X		
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of Pomona
Compliance Matrix
Year ended June 30, 2021**

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 #2021-001
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				

See independent auditor's report on compliance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Pomona
Schedule of Findings and Questioned Costs
Year ended June 30, 2021

TDAA3F: Finding #2021-001

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 Metro 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 \$364 as of June 30, 2021. This is a repeat finding from prior years' audit.
Cause	The City did not take into account the interest income 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 \$364 that is neither expended nor encumbered as of June 30, 2021.
Recommendation	We recommend that the City return the unexpended funds to Metro consistent with the TDA Article 3 Guidelines.
Management's Response	The City was made aware of the requirement thus requested and was granted an extension on use of the unexpended funds. The City will also work diligently to train and educate staff on all TDA Article 3 Guidelines.
Finding Corrected During the Audit	Metro Principal Transportation Planner granted the City an extension through June 30, 2022 to use the funds. No follow up is required.

EXIT CONFERENCE

An exit conference was held on December 14, 2021 with the City of Pomona representatives. Those in attendance were:

Vasquez and Company LLP representative:
Marialyn Salvador – Audit Senior Manager

City of Pomona representatives:
Dustin Andolsen – Accounting Supervisor
Erica Carillo – Senior Accountant

Matters discussed:

Results of the audit disclosed an instance of noncompliance with the Metro 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:

Aleli Burgos – Deputy Finance Director
Linda Poliakon – Accounting Manager
Dustin Andolsen – Accounting Supervisor
Erica Carillo – Senior Accountant



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