



**Pomona Valley Transportation Authority  
Report on the Schedule of Expenditures and Schedule of  
Revenues Received from Metro  
Proposition A Discretionary Incentive Grant**

*For the Year Ended June 30, 2022*

**Pomona Valley Transportation Authority  
Report on the Schedule of Expenditures and Schedule of  
Revenues Received from Metro  
Proposition A Discretionary Incentive Grant**

*For the Year Ended June 30, 2022*

**Pomona Valley Transit Authority  
Proposition A Discretionary Incentive Grant  
Table of Contents**

---

	<u>PAGE</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor’s Report	1
Proposition A Discretionary Incentive Grant: Elements of Financial Statements:	
Schedule of Expenditures	4
Schedule of Revenues Received from Metro	5
Notes to the Schedules of Expenditures and Revenues Received from Metro	6
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 <i>Government Auditing Standards</i>	9
<b>COMPLIANCE SECTION</b>	
Independent Auditor’s Report on Compliance	11
Compliance Matrix	14
<b>SCHEDULE OF FINDINGS AND QUESTIONED COSTS</b>	15
<b>EXIT CONFERENCE</b>	16

## **FINANCIAL SECTION**



## Independent Auditor's Report

**To the Board of Directors of the Pomona Valley Transportation Authority  
and the Los Angeles County Metropolitan Transportation Authority**

### Report on the Schedules

#### *Opinion*

We have audited the schedule of expenditures and schedule of revenues received from Metro (Schedules) as defined by the Proposition A Discretionary Incentive Grant Program Guidelines and Memorandum of Understanding for Sub-Regional Paratransit Services (Contract Number MOUPA5POM22000) (MOUPA5POM22000) dated July 1, 2021 between Pomona Valley Transportation Authority (PVRTA), as grantee, and the Los Angeles County Metropolitan Transportation Authority, as grantor for the year ended June 30, 2022, and the related notes to the Schedules.

In our opinion, the accompanying Schedules referred to above presents fairly, in all material respects, the expenditures of PVRTA and the revenues received from Metro for the year ended June 30, 2022, in accordance with the financial reporting provisions of the Proposition A Discretionary Incentive Grant Program Guidelines and MOUPA5POM22000.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Basis of Accounting and Reporting*

We draw attention to Notes 4 and 5 to the Schedules, which describe the basis of accounting and reporting, including compliance requirements. The Schedules were prepared in accordance with contractual agreements and were tested for compliance with the MOUPA5POM22000 and the Proposition A Discretionary Incentive Grant Program Guidelines.



As discussed in Note 2, the Schedules present only the revenues and expenditures towards the Proposition A Discretionary Incentive Grant under MOUPA5POM22000, and do not purport to, and do not present fairly the financial position of PVTA as of June 30, 2022, and the changes in its financial position for the year 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.

### ***Responsibilities of Management for the Schedules***

Management is responsible for the preparation and fair presentation of the Schedules in accordance with the Proposition A Discretionary Incentive Grant Program Guidelines and MOUPA5POM22000; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that is free from material misstatement, whether due to fraud or error.

In preparing the Schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PVTA's ability to continue as a going concern for twelve months beyond the Schedules date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Schedules***

Our objectives are to obtain reasonable assurance about whether the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of PVTA's internal control over the preparation of the Schedules 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 preparation of the Schedules and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PVTA's internal control over the preparation of the Schedules or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering PVTA's internal control over the preparation of the Schedules and compliance.

Glendale, California  
December 7, 2022

**Pomona Valley Transportation Authority  
 Proposition A Discretionary Incentive Grant  
 Schedule of Expenditures  
 Year ended June 30, 2022**

Brief Description	Reported Expenditures	Adjustment	Audited Amount
Total Expenditures - Identified as Net Operating Costs	\$ 3,429,014	\$ -	\$ 3,429,014
Proposition A Discretionary Incentive Guidelines maximum % that can be received by Grantee	x 25%	x 25%	x 25%
Grantee's Proposition A Discretionary Incentive Grant (Limitation)*	<u>\$ 857,253</u>	<u>\$ -</u>	<u>\$ 857,253</u>

\* Grantee's amount earned is limited to 25% of net operating costs or 25% of Annual Fundmark as determined on a quarterly basis.

*See independent auditor's report and notes to the schedules*

**Pomona Valley Transportation Authority  
 Proposition A Discretionary Incentive Grant  
 Schedule of Revenues Received from Metro  
 Year ended June 30, 2022**

**Proposition A Discretionary Incentive Grant**

Annual Fundmark established by Grantor (Note 3)	\$ <u>878,321</u>
A) Grantee's actual amount received from Metro for the fiscal year ended June 30, 2022* (Note 4)	\$ <u>834,270</u>

**Proposition A Discretionary Incentive Grant Limitation Calculation:**

<u>Brief Description</u>	<u>Reported Expenditures</u>	<u>Adjustments</u>	<u>Audited Expenditures</u>
Total Expenditures - Identified as Net Operating Costs - Fiscal year ended June 30, 2020**	\$ 3,256,614	\$ -	\$ 3,256,614
Proposition A Discretionary Incentive Grant Program Guidelines maximum % that can be received by Grantee	<u>x 25%</u>	<u>x 25%</u>	<u>x 25%</u>
B) Grantee's - Proposition A Discretionary Incentive Grant (Limitation)	\$ <u>814,153</u>	\$ -	\$ <u>814,153</u>
<b>Lesser of A) Actual amount received or B) 25% of Net Operating Costs ***</b>			<b>\$ <u>814,153</u></b>
<b>Funding that exceeds the 25% operating costs cap</b>			<b>\$ <u>20,117</u> ****</b>

\* This is the amount of Proposition A Discretionary Incentive Grant received by PVTA during the fiscal year ended June 30, 2022. In addition, PVTA received additional funding of \$574,550 from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) for the program.

\*\* The amount of allocation received by PVTA during the fiscal year ended June 30, 2022 is based on expenditures reported for the fiscal year ended June 30, 2020. The operating expense calculation has a two-year lag, as permitted by the Metro. Grantee contracts with Network Paratransit system and First Transit to administer the operations of PVTA, which includes the Pomona Valley Elderly & Disabled (Get About) and General Public (VC) programs for the year ended June 30, 2020. The Statement of Expenditures for the year ended June 30, 2020 was audited by Vasquez and Company LLP, whose report, dated November 23, 2020, expressed an unmodified opinion.

\*\*\* Grantee's billings to Metro are limited to the amount of the funding allocation or up to 25% of the total expenditures.

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

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Pomona Valley Transportation Authority (PVTA) is located in La Verne, California, and was formed to provide and administer public transportation services to the residents of the Pomona Valley.

PVTA is a public entity organized in 1977 pursuant to Section 6500 of the Government Code of the State of California. PVTA was formed as a joint powers authority (JPA) whose members consist of the City of Claremont, the City of La Verne, the City of Pomona and the City of San Dimas. PVTA operates under a form of government, with the Board being comprised of two Directors appointed from each participating member.

**Fund Accounting**

The operations of the Proposition A Discretionary Incentive Grant are accounted for in a separate set of self-balancing accounts that comprise its revenues and expenditures.

Proposition A incentive program earmarks 5% of the 40% Proposition A Discretionary funds, which are distributed to eligible applicants based on funding priorities and subject to fund availability. The funds are used for varied transportation needs that encourage and develop an integrated transportation system.

**Basis of Accounting**

The operations of the PVTA are accounted for as an enterprise fund which uses the accrual basis of accounting. Accordingly, expenditures are recorded at the time liabilities are incurred.

**NOTE 2            SCHEDULES OF EXPENDITURES AND REVENUES RECEIVED FROM METRO AND ANNUAL FINANCIAL STATEMENTS**

The schedules of expenditures and revenues received from Metro reflect only certain elements of the financial statements (expenditures and revenues) for PVTA's Proposition A Discretionary Incentive Grant, and do not purport to, and do not present fairly the PVTA's financial statements or total revenues and expenditures as of and for the year ended June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

**NOTE 3            ANNUAL FUNDMARK**

PVTA (Grantee) has been established and has met the eligibility criteria as a First Priority Applicant for being identified as a Sub-Regional paratransit participant and therefore is eligible to receive the Proposition A Discretionary Incentive Grant on a quarterly basis up to 25% of their net operating cost.

**NOTE 3 ANNUAL FUNDMARK (CONTINUED)**

Each fiscal year, the Los Angeles County Metropolitan Authority (Metro) (grantor) will establish an “annual fundmark” for the Grantee’s share of the Program Funds for the Sub-Regional Paratransit Program to the extent funds are available. As such, the grantor approved the annual allocation of \$1,452,871 in FY 2022, which include additional Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding of \$574,550. See Note 4.

**NOTE 4 GENERAL AND ADMINISTRATIVE CONDITIONS**

**Memorandum of Understanding for Sub-Regional Paratransit Services**

On July 1, 2021, Metro and PVTA entered into a Memorandum of understanding (MOUPA5POM22000), which is effective through June 30, 2026.

In accordance with Article 2 of the MOU, the Grantee must abide by the following restrictions in the agreement.

- 1) Grantee shall use program funds to provide certain specialized transportation services known as the Pomona Valley Transportation Authority Elderly & Disabled (Get About) and General Public (VC) programs to eligible paratransit users as coordinated transportation programs.
- 2) Grantee shall document coordination activities with existing transit services and with participating local governments. This documentation shall consist of executed agreements, joint resolutions, and/or approved implementation plans.
- 3) Grantee shall submit invoices quarterly requesting reimbursement. Grantor shall pay 25% of the reasonable and allowable costs not to exceed the annual allocation.

In addition to the annual fundmark established by Metro, additional funding from CRRSAA were made available to participating operators.

For the fiscal year 2021/22, PVTA received quarterly reimbursements totaling \$1,408,820 which were committed to PVTA's programs described above.

**NOTE 5 PROPOSITION A DISCRETIONARY INCENTIVE GRANT**

**Recording**

Proposition A Discretionary Incentive Grant totaling to \$1,408,820 for the year ended June 30, 2022 was recorded under the Proposition A Discretionary Incentive Grant and represents the only Proposition A Discretionary Incentive Grant received by PVTA.

**NOTE 5            PROPOSITION A DISCRETIONARY INCENTIVE GRANT (CONTINUED)**

**Compliance**

The incentive funds were used to supplement Proposition A and Proposition C operating expenses to pay for transit services operated by American Cab, LLC, and First Transit, Inc. who also operated the Pomona Valley Transportation Authority's Get About and VC programs, which are eligible projects under the Proposition A Discretionary Incentive Grant Program Guidelines.

**NOTE 6            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, PVTA's management believes that the financial impact, if any, will not materially affect the June 30, 2022 Schedules.

**NOTE 7            SUBSEQUENT EVENTS**

The PVTA has evaluated events subsequent to June 30, 2022 to assess the need for potential recognition or disclosure in the Schedules. Such events were evaluated through December 7, 2022, the date the Schedules 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 Schedules.



**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 Board of Directors of the Pomona Valley Transportation Authority  
and the Los Angeles County Metropolitan Transportation 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 schedules of expenditures and revenues received from Metro (Schedules) as defined by the Proposition A Discretionary Incentive Grant Program Guidelines and the Memorandum of Understanding for Sub-Regional Paratransit Services (MOUPA5POM22000) dated July 1, 2021 between Pomona Valley Transportation Authority (PVRTA), as grantee, and the Los Angeles County Metropolitan Transportation Authority, as grantor for the year ended June 30, 2022, and the related notes to the Schedules, and have issued our report thereon dated December 7, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedules, we considered PVRTA's internal control over the Schedules' 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 Schedules, but not for the purpose of expressing an opinion on the effectiveness of PVRTA's internal control. Accordingly, we do not express an opinion on the effectiveness of PVRTA'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 Schedules 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 or significant deficiencies may exist that have not been identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether PVTA's Schedules 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 Schedules. 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 intended 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 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.

**Glendale, California  
December 7, 2022**

## **COMPLIANCE SECTION**



## Independent Auditor's Report On Compliance

**To the Board of Directors of the Pomona Valley Transportation Authority  
And the Los Angeles County Metropolitan Transportation Authority**

### Report on Compliance

#### *Opinion*

We have audited the Pomona Valley Transportation Authority's (PVTA) compliance with the Proposition A Discretionary Incentive Grant Program Guidelines and the Memorandum of Understanding for Sub-Regional Paratransit Services (MOUPA5POM22000) dated July 1, 2021 (collectively, the Guidelines) for the year ended June 30, 2022.

In our opinion, the Pomona Valley Transportation Authority complied, in all material respects, with the compliance requirements referred to above that apply to Proposition A Discretionary Incentive Grant for the year ended June 30, 2022.

#### *Basis for Opinion*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Guidelines. Our responsibilities under those standards and the Guidelines are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PVTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the Guidelines. Our audit does not provide a legal determination of PVTA's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for PVTA compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the compliance requirements of the Guidelines referred to above.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PVTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PVTA's compliance with the requirements of the Guidelines as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding PVTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of PVTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guidelines, but not for the purpose of expressing an opinion on the effectiveness of PVTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Guidelines and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding #2022-001. Our opinion is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on PVTA's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. PVTA'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

*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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Glendale, California  
December 7, 2022

**Pomona Valley Transportation Authority  
Compliance Matrix  
Year ended June 30, 2022**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>A. Proposition A Discretionary Incentive Grant</b>					
1. Memorandum of Understanding covers the period under audit.	X				
2. Expenditures were used for projects in accordance with Contractual Agreement.	X				
3. Joint Powers Authority - Governing Body has earmarked funds / committed funds.	X				
4. Maintenance of effort more than 1/2 of allocated Proposition A and Proposition C Local Return Funds were spent or encumbered as of the year ending date.			X		PVTA did not receive any Local Return Funds.
5. Grant did not exceed 25% of Total Operating Costs.		X			See Finding #2022-001
<b>B. Memorandum of Understanding</b>					
1. Amount received did not exceed Annual Fundmark.	X				
2. Accounting records and documentation sufficient enough to prepare financial statements (schedule of expenditures).	X				
3. Ability to demonstrate that funds were spent on operating subsidies. Received the lesser of 25% of Annual Fundmark or 25% of Dial-A-Ride net operating costs.		X			See Finding #2022-001

*See independent auditor's report on compliance.*

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Pomona Valley Transportation Authority  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2022**

---

**Finding #2022-001**

<b>Compliance Reference</b>	Proposition A Discretionary Incentive Grant Program MOUPA5POM22000 Section 4 states that “Requests for reimbursement to grantee shall be made by the grantee submitting invoices quarterly or annually. Metro shall pay 25% of the reasonable and allowable costs actually incurred by Grantee, not to exceed the Annual Fundmark for the applicable reporting fiscal year, unless other approved by Metro Board of Directors.”
<b>Condition</b>	PVTA billed Metro and was overpaid by \$20,117 in excess of the 25% of Net Operating Cost for the year ended June 30, 2022.
<b>Cause</b>	The overbilling was due to a miscalculation of PVTA’s funding eligibility under the MOU guidelines.
<b>Effect</b>	PVTA was not in compliance with the Proposition A Discretionary Incentive Grant Program Guidelines.
<b>Recommendation</b>	<p>We recommend PVTA establish procedures and internal controls to ensure that amount invoiced during the fiscal year does not exceed the lesser between the Annual Fundmark and 25% of Net Operating Cost.</p> <p>We also recommend deducting the \$20,117 excess in the FY2022/23 invoices to offset Program Funds.</p>
<b>Management’s Response</b>	PVTA agrees with the finding and will work with Metro to rectify the overpayment.

**EXIT CONFERENCE**

**Pomona Valley Transportation Authority  
Proposition A Discretionary Incentive Grant  
Exit Conference  
Year ended June 30, 2022**

---

An exit conference was held on December 7, 2022 with the Pomona Valley Transportation Authority (PVTA) representative. Those in attendance were:

Vasquez and Company LLP representative:  
Marialyn Labastilla – Audit Director

PVTA's representative:  
George Sparks – Administrator  
Erika Jacquez – Mobility Manager

Matters discussed:

Results of the audit disclosed an issue of noncompliance with the Guidelines.

A copy of this report was forwarded to the following PVTA representative for comments prior to the issuance of the final report.

George Sparks – Administrator



[www.vasquez.cpa](http://www.vasquez.cpa)

Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit [rsmus.com/about-us](http://rsmus.com/about-us) for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.