



MetroTM

**City of El Monte
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 El Monte, 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 El Monte, 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 Funds' 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 El Monte, 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 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 El Monte, 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 Funds' 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 November 30, 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 Fund's financial reporting and compliance.

Vasquez & Company LLP

**Glendale, California
November 30, 2021**

**City of El Monte
 Proposition A Local Return Fund
 Balance Sheets**

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	3,082,903	\$ 2,843,386
Accounts receivable		2,760	2,737
Prepaid expense		20,000	2,272
Total assets	\$	3,105,663	\$ 2,848,395
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	160,918	\$ 265,086
Total liabilities		160,918	265,086
Fund balance			
Restricted		2,944,745	2,583,309
Total fund balance		2,944,745	2,583,309
Total liabilities and fund balance	\$	3,105,663	\$ 2,848,395

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition A	\$ 2,358,158	\$ 2,271,012
Interest income	16,810	32,156
Proposition A Discretionary Incentive Program grant (Note 8)	292,461	-
Project generated revenues (Note 9)	3,181	31,355
CNG fuel tax refund	131,965	4,585
Sale of capital assets (Note 10)	-	620,346
Total revenues	2,802,575	2,959,454
Expenditures		
Various projects	2,441,139	2,553,405
Total expenditures	2,441,139	2,553,405
Excess of revenues over expenditures	361,436	406,049
Fund balance at beginning of year	2,583,309	2,177,260
Fund balance at end of year	\$ 2,944,745	\$ 2,583,309

See notes to Funds financial statements.

City of El Monte
**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)	
105	Operation of Fixed Route Transit	\$ 1,089,300	\$ 1,089,300	\$ -	\$ 1,093,286
105	Operation of Fixed Route Transit	119,400	101,919	17,481	-
107	E & H Special Paratransit (Dial-A-Ride)	596,200	409,805	186,395	470,359
107	Drivers Operations E & D	10,900	163	10,737	11,183
108	Contracted Taxi Service - Support During COVID-19 Pandemic	40,000	-	40,000	2,555
135	Bus Pass Subsidy	50,000	1,595	48,405	35,493
155	Recreation/Special Transportation	43,600	-	43,600	12,742
170	Maintenance/Operating Costs for Transit and Paratransit Vehicles, Facilities and Transit Locations	894,900	439,836	455,064	504,060
180	Planning - Salaries and Benefits	900	-	900	18,326
190	Consultant to Assist with ADA Survey	4,000	-	4,000	-
190	First Aid and CPR Instructor/Supplies	1,400	390	1,010	-
205	Bus Stop Improvement Program	34,100	-	34,100	-
215	Trolley Station Relocation Project - Affordable Housing Apartments	2,202,227	-	2,202,227	-
260	Transit Bus Barriers	70,000	70,000	-	-
470	SGVCOG and SCAG Planning Dues	40,000	22,126	17,874	20,000
610	Administration Prop A & C	345,500	294,760	50,740	385,401
610	Consultant to Assist with Carl Moyer Grant Application	10,800	11,245	(445)	-
Total expenditures \$		5,553,227	2,441,139	3,112,088	2,553,405

See independent auditor's report.

City of El Monte
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
Jun-96	1 Chevrolet Pickup Truck	\$ 21,332	\$ -	\$ -	\$ 21,332
Jun-98	1 Chevrolet Maintenance Truck	29,304	-	-	29,304
Mar-05	23-72" Backed Benches	27,496	-	27,496 *	-
Apr-07	Scissor Lift	25,000	-	-	25,000
May-08	GPA Navigator	1,609	-	1,609 *	-
Oct-08	Glaval Titan Cutaway Bus	94,354	-	-	94,354
Oct-08	Glaval Titan Cutaway Bus	94,354	-	-	94,354
Jun-10	Traffic Signal - Garvey/Santa Anita	79,600	-	-	79,600
Aug-11	Trailer Mount Hot Water Power Washer	9,104	-	-	9,104
Apr-11	15 Bus Shelters	145,480	-	-	145,480
Sep-12	Traffic Signal - Garvey/Santa Anita	15,480	-	-	15,480
Feb-13	Bus Benches	1,072	-	1,072 *	-
Feb-13	Office Furniture	9,835	-	9,835 *	-
Jun-13	Valley/Santa Anita	147,740	-	-	147,740
Jun-13	Valley Circle	673,524	-	-	673,524
Feb-15	21 - Solar Lighting System	29,114	-	-	29,114
Jun-15	Public Works Yard Relocation	10,229	-	-	10,229
Sep-15	El Dorado National EZ Rider II Bus 32' CNG TR95	399,675	-	-	399,675
Jun-16	El Dorado National EZ Rider II Bus 32' CNG TR53	397,086	-	-	397,086
Jun-20	Aero Clave Room Decontamination System - Transit	15,756	-	-	15,756
Dec-20	Arrowguard Slide Stow Driver Protection System	-	6,800	-	6,800
Jan-21	Arrowguard Slide Stow Driver Protection System	-	20,401	-	20,401
Feb-21	Arrowguard Slide Stow Driver Protection System	-	27,201	-	27,201
	Total	\$ 2,227,144	\$ 54,402	\$ 40,012	\$ 2,241,534

* The City conducted a physical inventory count of the City's capital assets during FY 2021. These assets were deleted due to obsolescence.

See independent auditor's report.

**City of El Monte
Proposition C Local Return Fund
Balance Sheets**

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	5,999,828	\$ 6,996,663
Accounts receivable		6,575	7,773
Prepaid expense		10,000	-
Total assets	\$	6,016,403	\$ 7,004,436
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	134,731	\$ 100,670
Total liabilities		134,731	100,670
Fund balance			
Restricted - CR #01-380 Capital reserve (Note 11)		150,977	150,145
Restricted - CR #02-380 Capital reserve (Note 11)		498,763	496,016
Restricted - Other		5,231,932	6,257,605
Total fund balance		5,881,672	6,903,766
Total liabilities and fund balance	\$	6,016,403	\$ 7,004,436

See notes to Funds financial statements.

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

	Years ended June 30	
	2021	2020
Revenues		
Proposition C	\$ 1,956,007	\$ 1,883,809
Interest income	35,992	91,675
Project generated revenues (Note 9)	15,296	32,091
Sale of capital assets (Note 10)	-	48,326
Total revenues	2,007,295	2,055,901
Expenditures		
Various projects	3,029,389	2,027,740
Total expenditures	3,029,389	2,027,740
Excess (deficiency) of revenues over expenditures	(1,022,094)	28,161
Fund balance at beginning of year	6,903,766	6,875,605
Fund balance at end of year	\$ 5,881,672	\$ 6,903,766

See notes to Funds financial statements.

City of El Monte
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	Geographic Information System Startup	\$ 160,000	\$ 19,833	\$ 140,167	\$ -
180	CalTIP Membership - Insurance	148,000	131,949	16,051	115,320
180	Planning	324,500	147,583	176,917	150,780
180	Transit Planning on Google Map	1,900	-	1,900	-
180	ADA	90,000	-	90,000	-
180	Project Management	-	-	-	21,110
190	Contracted Language Assistance Line	10,000	-	10,000	130
205	Towable Boom Lift	24,400	-	24,400	-
205	Bus Stop and Transit Facility Improvements Maintenance Program	644,000	196,904	447,096	55,395
215	Demo of Cypress Facility and CNG Station	200,000	-	200,000	-
215	Transit Station Relocation Costs	52,500	-	52,500	-
215	Repainting of Metrolink Platform Shelters	6,800	-	6,800	-
215	Multi-Modal Transit Center and Transit Locations Operations, FT Drivers and Facility	946,450	793,488	152,962	749,093
215	Trolley Station Relocation Project - Affordable Housing Apartments	171,556	-	171,556	-
220	Kronos Time Clocks for Transit Center and Transportation Office	5,700	-	5,700	-
245	Transit Security - Train and Bus Station	110,900	519	110,381	10,049
261	Electric Vehicle Charging Stations	-	-	-	31,446
280	Contracted Engineering Staff/Assistance	25,000	-	25,000	21,000
303	Ramona Blvd/Badillo St/Covina Blvd TSSP/BSP	147,000	900	146,100	-
470	SGVCOG and SCAG Planning Dues	10,000	10,000	-	10,000
510	Transit Marketing	22,200	115	22,085	188
620	Attorney Fees	100,000	-	100,000	-
620	Administration Prop A and C	408,350	414,229	(5,879)	335,753
705	Restriping of El Monte's Metrolink Parking Lot	14,000	5,433	8,567	-
705	Ramona Boulevard Bus Pads	255,000	13,402	241,598	2,625
705	Salary Benefits for Street Maintenance, Street Signs, Striping, and Traffic Signal Maintenance	7,850	-	7,850	-
710	Construction, Planning and Design: Traffic Calming Measure on Parkway Drive	320,000	173,463	146,537	10,872
710	Santa Anita Bridge Overcrossing (Bus Access) Project	1,000,000	-	1,000,000	-
715	Call for Projects - Ramona and Valley Intersection Improvements	521,270	-	521,270	-
715	Ramona Blvd at Valley Blvd Intersection Improvement	1,004,195	1,000,000	4,195	513,979
715	Ramona Boulevard at Valley Boulevard Intersection Improvements	274,000	76,402	197,598	-
781	Ramona Blvd at Valley Blvd Intersection	10,000	-	10,000	-
781	Ramona Blvd/Badillo St/ Covina Blvd TSSP/BSP	10,000	-	10,000	-
805	Regional Bicycle Commuter Access Improvement Project	443,193	45,169	398,024	-
Total expenditures		\$ 7,468,764	\$ 3,029,389	\$ 4,439,375	\$ 2,027,740

See independent auditor's report.

**City of El Monte
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
Apr-93	Ramona Right-of-Way Acquisition	\$ 624,190	\$ -	-	\$ 624,190
Feb-00	Three Honda Civic GX	56,514	-	-	56,514
Feb-02	Hydro Retriever Brush Scrubber	11,340	-	11,340 *	-
May-03	Hotsy Power Wash Trailer	7,722	-	-	7,722
Jun-03	2003 Ford F150 Truck	25,144	-	-	25,144
Feb-04	Lobby Retrofit Carpet	14,229	-	14,229 *	-
Jun-08	Lots at Tyler (3448, 3454) and 11016 Ramona	1,000,000	-	-	1,000,000
May-09	2009 Ford F150 4x2 SuperCab	20,292	-	-	20,292
May-09	2009 Ford F150 4x2 Long Bed	16,501	-	-	16,501
Jun-10	CNG Fuel Station	801,477	-	-	801,477
Apr-11	15 Bus Shelters	145,525	-	-	145,525
Sep-12	Traffic Signal Santa Anita/Lower Azusa	15,480	-	-	15,480
Sep-12	Traffic Signal Valley/Peck	15,480	-	-	15,480
Sep-12	Traffic Signal Peck/Ramona	15,480	-	-	15,480
Sep-12	Traffic Signal Peck/Fineview	15,480	-	-	15,480
Jun-13	Valley Santa Anita Intersection	105,567	-	-	105,567
Jul-13	2013 El Dorado national Aero Elite CNG Cutaway Buses TR-1b	134,108	-	-	134,108
Jul-13	2013 El Dorado national Aero Elite CNG Cutaway Buses TR-2b	134,108	-	-	134,108
Jul-13	2013 El Dorado national Aero Elite CNG Cutaway Buses TR-14b	134,108	-	-	134,108
Jul-13	2013 El Dorado national Aero Elite CNG Cutaway Buses TR-15b	134,108	-	-	134,108
Jul-13	2013 El Dorado national Aero Elite CNG Cutaway Buses TR-17b	134,108	-	-	134,108
Aug-13	Rotery Lift	23,885	-	-	23,885
Nov-14	Power Edge R320-Dell	6,542	-	-	6,542
Jun-15	Public Works Yard Relocation	5,033	-	-	5,033
Jan-16	Pavement Management System	24,360	-	-	24,360
Jun-16	Valley/Santa Anita	52,252	-	-	52,252
Jun-16	CBDG ADA Ramp and Sidewalk Project	31,016	-	-	31,016
Jun-16	Five Traffic Signal	734,257	-	-	734,257
Jun-16	Valley Circle	886,972	-	-	886,972

See independent auditor's report.

City of El Monte
Proposition C Local Return Fund
Supplementary Information
Schedule of Capital Assets (Continued)
Year ended June 30, 2021

Date Acquired	Description	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR54	\$ 397,086	\$ -	-	\$ 397,086
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR55	397,086	-	-	397,086
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR56	397,086	-	-	397,086
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR57	397,086	-	-	397,086
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR58	397,086	-	-	397,086
Jun-16	2016 El Dorado National EZ Rider II CNG 32" Transit Bus TR59	397,086	-	-	397,086
Mar-17	8000 T - Conflict Monitor Tester	13,374	-	-	13,374
Jun-17	2016 Mobility Ventures MV - Van	56,761	-	-	56,761
Jun-17	2016 Mobility Ventures MV - Van	56,761	-	-	56,761
Jun-17	2016 Mobility Ventures MV - Van	56,761	-	-	56,761
Jun-17	2016 Mobility Ventures MV - Van	56,761	-	-	56,761
Jun-17	2017 Starcraft Allstar Cutaway Bus	76,272	-	-	76,272
Jun-17	2016 Mobility Ventures MV - Van	56,761	-	-	56,761
Jun-17	2017 Starcraft Allstar Cutaway Bus	76,272	-	-	76,272
Jun-17	2017 Starcraft Allstar Cutaway Bus	76,272	-	-	76,272
Jun-17	2017 Starcraft Allstar Cutaway Bus	76,272	-	-	76,272
Jun-18	Pavement Resurface Improvement	2,500	-	-	2,500
Jun-18	Downtown Improvement Phase II	23,201	-	-	23,201
Dec-19	11104 & 11114 Ramona Blvd. El Monte 91731 Smar & Final	126,473	-	-	126,473
Dec-19	11138 Valley Mall/Ramona Blvd. El Monte 91731 Bank of America	74,655	-	-	74,655
Jan-20	Courthouse Parking Structure Easement - 11234 Valley Blvd	23,400	-	-	23,400
Feb-20	Bus Stop Shelter with Amenities Project	2,895	-	-	2,895
Feb-20	Hydro Tex Pressure Washer	12,198	-	-	12,198
Mar-20	EV Charging Station - 010	31,446	-	-	31,446
Aug-20	HC5 Double Station Trash/Recycle Bin	-	46,904	-	46,904
Total		\$ 8,530,557	\$ 46,904	\$ 25,569	\$ 8,551,892

* The City conducted a physical inventory count of the City's capital assets during FY 2021. These assets were deleted due to obsolescence.

See independent auditor's report.

**City of El Monte
Measure R Local Return Fund
Balance Sheets**

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	6,733,808	\$ 7,462,160
Prepaid expenses		1,323	-
Total assets	\$	<u>6,735,131</u>	<u>\$ 7,462,160</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	377,814	\$ 526,439
Total liabilities		<u>377,814</u>	<u>526,439</u>
Fund balance			
Restricted - Capital Reserve (Note 12)		2,861,038	3,451,734
Restricted		3,496,279	3,483,987
Total fund balance		<u>6,357,317</u>	<u>6,935,721</u>
Total liabilities and fund balance	\$	<u>6,735,131</u>	<u>\$ 7,462,160</u>

See notes to Funds financial statements.

City of El Monte
Measure R Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure R	\$ 1,469,039	\$ 1,410,836
Interest income	31,950	99,510
Total revenues	1,500,989	1,510,346
Expenditures		
Various projects	2,079,393	1,573,927
Total expenditures	2,079,393	1,573,927
Deficiency of revenues over expenditures	(578,404)	(63,581)
Fund balance at beginning of year	6,935,721	6,999,302
Fund balance at end of year	\$ 6,357,317	\$ 6,935,721

See notes to Funds financial statements.

City of El Monte
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			2020 Actual
		Metro Budget	Actual	Variance Positive (Negative)	
205	Ozone Kyvak Machine	\$ 9,000	\$ -	\$ 9,000	\$ -
215	Office Reconfiguration Construction	30,000	-	30,000	-
215	EV Station (Purchase and Install)				
	MSRC Grant and MR Match	137,500	19,026	118,474	-
225	Right of Way Acquisition	40,000	-	40,000	-
261	EV Electric Vehicle Cloud Ports				
	Annual Fee for the Ports	12,500	3,410	9,090	-
261	Repairs to EV Stations	20,000	-	20,000	-
290	Shared Parking/Smart Detection System	360,000	79,475	280,525	30,251
301	Traffic Signal - Santa Anita and McGirk	265,000	38,739	226,261	1,740
304	Maintenance includes Traffic Signal Pole				
	Repairs and Replacements, and Call Outs	100,000	26,685	73,315	-
304	Salaries and Benefits - Traffic Signal				
	Maintenance	56,450	57,664	(1,214)	63,064
560	Civil Defense (Covid)	40,000	1,104	38,896	-
630	New Computers	28,400	-	28,400	-
630	Salaries and Benefits to Support				
	Measure R Projects	189,300	157,440	31,860	153,593
630	Consultant/Project Manager for City's				
	Vision Zero Plan	10,000	-	10,000	-
705	3-year Citywide Pavement Management				
	Plan Project Construction	2,100,000	-	2,100,000	-
705	3-year Citywide Pavement Repair and				
	Resurfacing Zone 2	2,017,000	211,025	1,805,975	-
705	Salaries and Benefits - Street Signs				
	and Striping	23,300	22,880	420	22,376
705	Salaries and Benefits - Street Maintenance	123,800	101,000	22,800	94,529
705	3-year Citywide Pavement and				
	Resurfacing Project	1,040,000	164,551	875,449	293,591
705	Federal Drive Street Repair and Maintenance	2,550	-	2,550	16,610
715	Street Improvement Project's Staging				
	Area Resurface and Repair	185,000	39,652	145,348	-
720	Safe Routes to School - Design A				
	Roundabout at "5-Points"	101,400	-	101,400	69,110
780	3-year Citywide Pavement				
	Management Plan Project Engineering	400,000	36,572	363,428	-
780	Planning - City Staff	56,500	-	56,500	-
780	Contracted Engineering Staff				
	Project Manager	320,000	154,564	165,436	102,971
780	Planning and Design PMS Software (Roadmatrix)	3,000	2,125	875	14,558
781	Capital Reserve Citywide Street Improvement	10,000	597,121	(587,121)	571,785
990	Resurfacing of Ramona Boulevard				
	(Planning, Design and Construction)	752,400	134,664	617,736	98,634
990	Street Maintenance and Contracted Services	250,000	231,696	18,304	25,241
990	Valley/Arden Drainage Improvement	99,400	-	99,400	15,874
Total expenditures		\$ 8,782,500	\$ 2,079,393	\$ 6,703,107	\$ 1,573,927

See independent auditor's report.

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

Date Acquired	Description	Balance July 1, 2020 (as restated)	Additions	Deletions	Balance June 30, 2021
Jun-11	2009-2010 ARRA Street Improvements	\$ 176,750	\$ -	\$ -	\$ 176,750
Jan-18	Slurry Seal Project Phase I	510,000	-	-	510,000
Jun-18	Pavement Resurface / Reconstruction Improvement	1,733,786	-	-	1,733,786
Jun-18	Street Rehabilitation (Klingerman/Fern/Stroizer)	57,176	-	-	57,176
July-18	Downtown Improvement Phase II	8,237	-	-	8,237
Sept-18	Safe Routes to School Cycle 2	804,060	-	-	804,060
Apr-20	Federal Drive Asphalt	16,610	-	-	16,610
Aug-20	Ramona Blvd - Easement	-	33,700	-	33,700
Aug-20	2 Yard EV Charging Stations	-	19,026	-	19,026
Dec-20	Slurry Seal & Pavement Resurfacing Project	-	458,142	-	458,142
Total		\$ 3,306,619	\$ 510,868	\$ -	\$ 3,817,487

See independent auditor's report.

**City of El Monte
Measure M Local Return Fund
Balance Sheets**

		June 30	
		2021	2020
ASSETS			
Cash and investments	\$	3,432,128	\$ 2,999,147
Total assets	\$	3,432,128	\$ 2,999,147
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$	117,778	\$ 224,570
Total liabilities		117,778	224,570
Fund balance			
Restricted		3,314,350	2,774,577
Total fund balance		3,314,350	2,774,577
Total liabilities and fund balance	\$	3,432,128	\$ 2,999,147

See notes to Funds financial statements.

City of El Monte
Measure M Local Return Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2021	2020
Revenues		
Measure M	\$ 1,664,475	\$ 1,588,769
Interest income	17,100	43,486
Total revenues	1,681,575	1,632,255
Expenditures		
Various projects	1,141,802	1,579,429
Total expenditures	1,141,802	1,579,429
Excess of revenues over expenditures	539,773	52,826
Fund balance at beginning of year	2,774,577	2,721,751
Fund balance at end of year	\$ 3,314,350	\$ 2,774,577

See notes to Funds financial statements.

City of El Monte
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)	
180	Consultant to Prepare RFP for FR and DAR	\$ -	\$ -	\$ -	23,000
210	Vehicles - Maintenance Service Vehicles and Supervisor / Pool Vehicle	-	-	-	348,833
260	Transit Bus Equipment: Panic Button, AVL, and Electronic Data System	500,000	-	500,000	-
280	Consultants	200,000	-	200,000	-
302	SSAR Peck and Garvey Signal Intersection	160,000	23,500	136,500	-
302	SSAR Mt. View/Valley Traffic Intersection Improvement	150,000	-	150,000	-
302	SSAR Tyler/Main St. Intersection Improvements	140,000	-	140,000	-
304	Salaries and Benefits - Traffic Signal Maintenance	56,200	57,665	(1,465)	63,064
640	Salaries and Benefits - Administration	179,300	157,443	21,857	153,593
705	Pavement Improvements Nevada and Bodger CAP	1,000,000	22,815	977,185	-
705	Pavement Improvements Nevada and Bodger OPS	50,000	-	50,000	-
705	Salaries and Benefits - Street Maintenance	103,800	100,996	2,804	94,529
705	Salaries and Benefits - Street Signs and Striping	21,800	22,880	(1,080)	22,377
705	3-year Citywide Pavement Repair and Resurfacing Project	600,000	-	600,000	-
705	Santa Anita ATP Project CIP 890	1,850,000	38,650	1,811,350	-
710	Santa Anita Property 3701 Engineering, Design and Demo	500,000	-	500,000	-
725	ADA Work at Existing Lower Azusa TSSP Intersection Improvement Project	75,000	-	75,000	-
740	Lower Azusa TSSP Intersection Improvements Los Angeles	380,000	-	380,000	-
760	Street Signs and Striping	235,000	199,583	35,417	-
780	Street Aesthetic Master Plan	215,000	112,025	102,975	47,151
780	On-Call Contracted Engineering Staff - Project Manager	80,000	78,492	1,508	-
780	Contracted Engineering Staff - Project Manager	90,000	-	90,000	-
780	Planning and Engineering - Traffic Calming Measures	-	-	-	2,100
780	Contracted Engineering Staff - Project Manager	-	-	-	36,843
805	Durfee - Sidewalk Improvement from Ramona to Kerwood Ave	237,038	77,288	159,750	-
805	El Monte Fern and Elliott Class 3 Bike Blvd Project	800,000	66,714	733,286	39,477
805	Sidewalk Improvement Master Plan	130,000	84,905	45,095	36,895
805	Traffic Calming (Removal of Speed Bumps) Class 4 Bike Lanes	-	-	-	655,767
990	Storm Drain Improvements 808	171,900	98,846	73,054	55,800
Total expenditures		\$ 7,925,038	\$ 1,141,802	\$ 6,783,236	\$ 1,579,429

See independent auditor's report.

City of El Monte
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>
Feb-18	Transit and Paratransit Bus Surveillance System	\$ 70,500	\$ -	\$ -	70,500
Dec-19	2019 Ford F250 - 1828	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1827	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1826	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1825	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1824	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1823	41,725	-	-	41,725
Dec-19	2019 Ford F250 - 1822	41,725	-	-	41,725
Mar-20	2020 Nissan Leaf S Plus - Y2	35,693	-	-	35,693
Mar-20	2020 Nissan Leaf S Plus - Yard	21,063	-	-	21,063
Aug-20	Sidewalk Improvement Durfee and Ramona Area	-	733,055	-	733,055
Mar-21	Valley-Arden Drainage Improvement	-	182,394	-	182,394
	Total	\$ 419,331	\$ 915,449	\$ -	\$ 1,334,780

See independent auditor's report.

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

		June 30	
		2021	2020
ASSETS			
Due from Metro	\$	28,132	\$ -
Total assets		\$ 28,132	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND DEFICIT			
Liabilities			
Cash overdraft	\$	-	\$ 67,065
Accounts payable		13,154	10,316
Due to other funds		21,726	-
Total liabilities		34,880	77,381
Deferred inflows of resources			
Unavailable revenue		28,132	-
Total deferred inflows of resources		28,132	-
Fund deficit			
Restricted		(34,880)	(77,381)
Total fund deficit		(34,880)	(77,381)
Total liabilities, deferred inflows of resources and fund deficit		\$ 28,132	\$ -

See notes to Funds financial statements.

City of El Monte
 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:			
TDA Article 3	\$	184,342	\$ 73,312
Total revenues		184,342	73,312
 Expenditures			
Various projects		141,841	135,976
Total expenditures		141,841	135,976
Excess (deficiency) of revenues over expenditures		42,501	(62,664)
Fund deficit at beginning of year		(77,381)	(14,717)
Fund deficit at end of year	\$	(34,880)	\$ (77,381)

See notes to Funds financial statements.

City of El Monte
 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		
Local Allocations:					
Bikelanes - Expresslanes Net Toll Project	2018	\$ 110,791	\$ 129,126	(18,335)	Ongoing
Traffic Calming Durfee/Ramona Area	2019	<u>73,551</u>	<u>12,715</u>	<u>60,836</u>	Ongoing
Totals		<u>\$ 184,342</u>	<u>\$ 141,841</u>	42,501	
Fund deficit at beginning of year				<u>(77,381)</u>	
Fund deficit at end of year				<u>\$ (34,880)</u>	

See independent auditor's report.

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) 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.

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.

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

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 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANT

The City entered into various Memorandum of Understanding (MOUs) agreements with the Metro to receive Proposition A Discretionary Incentive Program grant for participating in the National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2021 and 2020, consisted of the following:

Agreement Date	Program Year	MOU Amount	Amount Received	
			2021	2020
07/01/2019	FY2016/17	\$ 148,976	\$ 148,976	\$ -
05/01/2020	FY2017/18	143,485	143,485	-
			\$ 292,461	\$ -

The Proposition A Discretionary Incentive Program grant was recorded under the PALRF.

NOTE 9 PROJECT GENERATED REVENUES

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

PALRF:

	2021	2020
Trolley tokens	\$ 1,915	\$ 4,555
Go RIO Rio Hondo Pilot Bus Incentive Bus Program	-	341
Bus passes	1,266	26,459
	\$ 3,181	\$ 31,355

PCLRF:

	2021	2020
Access fare reimbursement	\$ 10,277	\$ 19,677
Commuter subsidy	2,437	6,730
Farebox revenues	1,796	5,532
Other	786	152
	\$ 15,296	\$ 32,091

NOTE 10 SALE OF CAPITAL ASSETS – PALRF AND PCLRF

On March 18, 2020, the City entered into a disposition, development and affordable rental housing loan agreement with El Monte Metro Family Housing, L.P. for purposes of the El Monte Metro Family Housing (FH) Project that would result in the development of a 25 rental dwelling units. As part of the agreement, the City sold certain property to the developer for a purchase price of \$2,049,600. The purchase price is payable to the City as follows: (1) \$560,000 cash and (2) delivery of FH Site Mortgage Note in the amount of \$1,489,600.

On March 18, 2020, the City entered into a disposition, development and affordable rental housing loan agreement with El Monte Metro Family Housing, L.P. for purposes of the El Monte Metro Veteran Housing (VH) Project that would result in the development of a 28 rental dwelling units. As part of the agreement, the City sold certain property to the developer for a purchase price of \$1,610,400. The purchase price is payable to the City as follows: (1) \$440,000 cash and (2) delivery of VH Site Mortgage Note in the amount of \$1,170,400.

During the year ended June 30, 2020, the City received a total cash of \$1,000,000 for the previously described sale of properties. The cash was allocated to the funds which used to acquire the properties, sold as follows:

Proposition A Local Return Fund	\$ 620,346
Proposition C Local Return Fund	48,326
Housing and Community Development Fund	120,875
General Fund	210,453
	\$ 1,000,000

NOTE 11 CAPITAL RESERVE AGREEMENTS – PCLRF

Agreement #01-380 – Ramona Boulevard/Badillo Street/Covina Boulevard/TSSP/BSP

In July 2011, Metro and the City entered into a capital reserve agreement to establish a \$141,262 capital reserve account (#01-380) for the Ramona Boulevard, Badillo Street, and Covina Boulevard Intersection Project. The project is multi-jurisdictional, involving the Cities of El Monte, Baldwin Park, West Covina, Covina and led by the Los Angeles County Public Works. The scope of the project entails synchronizing the traffic signals along the subject corridor and providing for bus signal priority to improve travel time. The County of Los Angeles Department of Public Works Traffic Division expects the funding for the Ramona project to be programmed by Metro in FY 2019. In June 2016, the Metro Board of Directors approved the City's request to extend this capital reserve agreement to June 30, 2019. In June 2019, the Metro Board of Directors approved the City's request to further extend this capital reserve agreement to June 30, 2024.

Agreement #02-380 – Ramona Boulevard at Valley Boulevard Intersection Improvement Project

In June 2013, Metro and the City entered into a capital reserve agreement to establish a \$771,591 capital reserve account (#02-380) for the Ramona Boulevard and Valley Boulevard Intersection Improvement Project. This project will make major improvements to the intersection of Ramona Boulevard, Valley Boulevard and Valley Mall which include the reconfiguration of existing roadway and the addition of dedicated turn lanes to improve existing traffic conditions. In June 2016, the Metro Board of Directors approved the City's request to extend this capital reserve agreement to June 30, 2018. In June 2018, the Metro Board of Directors approved the City's request to transfer the capital reserve fund balance from the El Monte Santa Anita Bridge Overcrossing to this project for a total funding of \$1,771,600 and further extend this capital reserve agreement to June 30, 2023.

<u>Project Title</u>	<u>Agreement Date</u>	<u>Reserve Amount</u>	<u>Original Termination Date</u>	<u>Amended Termination Date</u>
Ramona Blvd/Badillo St/ Covina Blvd TSSP/BSP (#01-380)	7/23/2011	\$141,262	6/30/2016	6/30/2024
Ramona Blvd at Valley Blvd Intersection Improvement (#02-380)	6/19/2013	\$1,771,600	6/30/2016	6/30/2023

NOTE 11 CAPITAL RESERVE AGREEMENTS – PCLRF (CONTINUED)

As of and for the years ended June 30, 2021 and 2020, the capital reserve amounts and transactions were as follows:

	#01-380	#02-380
Capital reserve, June 30, 2019	\$ 148,188	\$ 1,000,182
Interest income earned	1,957	9,813
Expenditures during the year	-	(513,979)
Capital reserve, June 30, 2020	150,145	496,016
Interest income earned	832	2,747
Capital reserve, June 30, 2021	\$ 150,977	\$ 498,763

NOTE 12 CAPITAL RESERVE AGREEMENTS – MRLRF

In June 2019, Metro and the City entered into a capital reserve agreement to establish a \$10,000,000 capital reserve account for the City’s Citywide Street Improvement project, Ramona Boulevard, Badillo Street, and Covina Boulevard Intersection Project.

As of and for the years ended June 30, 2021 and 2020, the capital reserve amount and transactions were as follows:

Capital reserve account set-up	\$ 4,000,000
Interest income earned	23,519
Expenditures during the year	(571,785)
Capital reserve, June 30, 2020	3,451,734
Interest income earned	6,425
Expenditures during the year	(597,121)
Capital reserve, June 30, 2021	\$ 2,861,038

NOTE 13 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
FY 2015/16 allocation	\$ -	\$ 73,312
FY 2016/17 allocation	76,704	-
FY 2017/18 allocation	74,161	-
FY 2018/19 allocation	33,477	-
	\$ 184,342	\$ 73,312

NOTE 14 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 2016/17 allocation	\$	-	\$	76,704
FY 2017/18 allocation		-		74,161
FY 2018/19 allocation		43,978		77,455
FY 2019/20 allocation		84,518		84,518
FY 2010/21 allocation		65,316		-
Total reserve	\$	<u>193,812</u>	\$	<u>312,838</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 15 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 16 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 November 30, 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 El Monte, 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 El Monte, 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 November 30, 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 "Vasquez & Company LLP".

**Glendale, California
November 30, 2021**

COMPLIANCE SECTION

Independent Auditor's Report on Compliance

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

Report on Compliance

We have audited the City of El Monte, 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 El Monte, California 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 compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

**Glendale, California
November 30, 2021**

**City of El Monte
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 El Monte
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					
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				
14. Recreational transit form was submitted on time.	X				
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X				
17. All on-going and carryover projects were reported on Form B or electronic equivalent.	X				
18. Cash or cash equivalents are maintained.	X				
19. Accounting procedures, record keeping, and documentation are adequate.	X				

See independent auditor's report on compliance.

**City of El Monte
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 El Monte
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 El Monte
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 El Monte
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 El Monte
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				
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 El Monte
Schedule of Findings and Questioned Costs
Year ended June 30, 2021**

There were no findings noted.

EXIT CONFERENCE

An exit conference was held on November 30, 2021, with the City of El Monte representatives. Those in attendance were:

Vasquez and Company LLP representatives:

Linda Narciso – Audit Partner
Marialyn Salvador – Audit Senior Manager
Erica Ong – Audit Senior

City of El Monte representatives:

Anne Blakeley – Finance Manager
Marilyn Toledo – Accounting Manager
Carmen Tsui – Grant Accountant
Sarah Zadok – Transportation Operations Manager

Matters discussed:

Results of the audit disclosed no significant compliance or financial statements issues.

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

Anne Blakeley – Finance Manager
Marilyn Toledo – Accounting Manager
Carmen Tsui – Grant Accountant
Sarah Zadok – Transportation Operations Manager



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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 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.

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