

***CITY OF GLENDALE
ANNUAL FINANCIAL REPORT OF THE
PROPOSITION A LOCAL RETURN FUND
PROPOSITION C LOCAL RETURN FUND
MEASURE R LOCAL RETURN FUND
MEASURE M LOCAL RETURN FUND
TRANSPORTATION DEVELOPMENT ACT
ARTICLE 3 FUND***

***FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

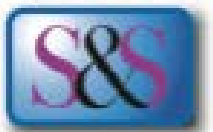
CITY OF GLENDALE
TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditor's Report	1
Proposition A Local Return Fund:	
Financial Statements:	
Balance Sheets	3
Statements of Revenues, Expenditures and Changes in Fund Balance	4
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	5
Schedule of Capital Assets	6
Proposition C Local Return Fund:	
Financial Statements:	
Balance Sheets	7
Statements of Revenues, Expenditures and Changes in Fund Balance	8
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	9
Schedule of Capital Assets	10
Measure R Local Return Fund:	
Financial Statements:	
Balance Sheets	11
Statements of Revenues, Expenditures and Changes in Fund Balance	12
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	13
Schedule of Capital Assets	14
Measure M Local Return Fund:	
Financial Statements:	
Balance Sheets	15
Statements of Revenues, Expenditures and Changes in Fund Balance	16
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	17
Schedule of Capital Assets	18
Transportation Development Act Article 3 Fund:	
Financial Statements:	
Balance Sheets	19
Statements of Revenues, Expenditures and Changes in Fund Balance	20
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	21

CITY OF GLENDALE
TABLE OF CONTENTS
(Continued)

Notes to Financial Statements	22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements performed in Accordance with <i>Government Auditing Standards</i>	28
COMPLIANCE SECTION	
Independent Auditor's Report On Compliance	30
Compliance Matrix	32
Schedule of Findings and Recommendations	36
EXIT CONFERENCE	37

FINANCIAL SECTION



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds), of the City of Glendale, California (the City) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F of the City of Glendale California, as of June 30, 2019 and 2018, and the respective changes in their financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F of the City and do not purport to, and do not, present fairly the financial position of the City of Glendale, California, as of June 30, 2019 and 2018, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated November 22, 2019, 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 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 internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 22, 2019

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

	2019	2018
ASSETS		
Cash and investments	\$ 12,009,078	\$ 11,210,970
Accounts receivable	27,647	67,087
Due from other agencies (Note 8)	297,584	567,636
Interest receivable	50,099	35,114
Total assets	\$ 12,384,408	\$ 11,880,807
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 474,619	\$ 732,685
Due to other agencies	-	223
Accrued wages	24,220	24,074
Total liabilities	498,839	756,982
 Deferred Inflows of Resources		
Unavailable revenues	22,083	153,902
 Fund Balance		
Restricted	11,863,486	10,969,923
Total fund balance	11,863,486	10,969,923
Total liabilities, deferred inflows of resources and fund balance	\$ 12,384,408	\$ 11,880,807

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
PROPOSITION A LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2019	2018
REVENUES		
Proposition A	\$ 4,050,313	\$ 3,761,767
Interest income	226,257	155,338
Project generated revenue (Note 10)	13,883	19,025
Unrealized gain (loss) on investments	209,481	(114,357)
Total revenues	4,499,934	3,821,773
 EXPENDITURES		
Various projects	3,606,371	3,273,028
Total expenditures	3,606,371	3,273,028
 Excess of revenues over expenditures	893,563	548,745
 Fund balance at beginning of year	10,969,923	10,421,178
 Fund balance at end of year	\$ 11,863,486	\$ 10,969,923

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-31	Glendale Transit Services	\$ 4,500,000	\$ 3,400,000	\$ 1,100,000	\$ 3,000,000
170-37	Bus and Shelter Maintenance	225,000	170,734	54,266	113,496
180-01	Fareboxes for Beeline Buses	445,000	4,641	440,359	-
250-05	MTA Bus Pass Subsidy	100,000	12,860	87,140	14,510
300-34	Beeline Maintenance & Fueling Facility	3,376,000	-	3,376,000	11,320
410-18	TDM Commuter Reduction	-	-	-	116,866
480-02	Assistant To The Board Director	12,000	-	12,000	-
480-47	Direct Administration	150,000	18,136	131,864	16,836
Total expenditures		\$ 8,808,000	\$ 3,606,371	\$ 5,201,629	\$ 3,273,028

See accompanying independent auditor's report.

CITY OF GLENDALE
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
6/30/2010	2010 OR NEWER DODGE AVENGER	\$ 15,846	\$ -	\$ -	\$ 15,846
6/30/2010	2010 OR NEWER DODGE AVENGER	15,846	-	-	15,846
6/30/2010	NEW FLYER Bus - C35LF (B66)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B67)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B68)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B69)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B70)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B71)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C35LF (B72)	227,695	-	-	227,695
6/30/2010	NEW FLYER Bus - C40LF (B73)	79,320	-	-	79,320
6/30/2010	NEW FLYER Bus - C40LF (B74)	79,320	-	-	79,320
6/30/2013	NEW FLYER Bus - C40LF (B75)	83,947	-	-	83,947
6/30/2013	NEW FLYER Bus - C40LF (B76)	83,947	-	-	83,947
6/30/2013	NEW FLYER Bus - C40LF (B77)	274,755	-	-	274,755
6/30/2013	NEW FLYER Bus - C40LF (B78)	274,755	-	-	274,755
6/30/2014	NEW FLYER Bus - C40LFR (B79)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B80)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B81)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B82)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B83)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B84)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B85)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B86)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B87)	134,734	-	-	134,734
6/30/2014	NEW FLYER Bus - C40LFR (B88)	134,733	-	-	134,733
6/30/2018	Beeline Fareboxes	11,320	4,641	-	15,961
6/30/2019	Bus Benches and Shelters	-	27,943	-	27,943
Total \$		<u>3,860,260</u>	<u>\$ 32,584</u>	<u>\$ -</u>	<u>\$ 3,892,844</u>

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 7,784,704	\$ 5,670,825
Accounts receivable	10,079	34,885
Due from other agencies (Note 8)	297,343	592,369
Interest receivable	43,288	31,398
Total assets	\$ 8,135,414	\$ 6,329,477
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 605,675	\$ 501,494
Accrued wages	11,149	24,330
Total liabilities	616,824	525,824
 Deferred inflows of resources		
Unavailable revenues	8,946	84,824
 Fund Balance		
Restricted	7,509,644	5,718,829
Total fund balance	7,509,644	5,718,829
Total liabilities, deferred inflows of resources and fund balance	\$ 8,135,414	\$ 6,329,477

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
PROPOSITION C LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	<u>2019</u>	<u>2018</u>
REVENUES		
Proposition C	\$ 3,359,620	\$ 3,113,595
Interest income	150,093	113,396
Project generated revenue (Note 10)	6,265	20,836
Unrealized gain (loss) on investments	184,468	(102,340)
Total revenues	<u>3,700,446</u>	<u>3,145,487</u>
EXPENDITURES		
Various projects	<u>1,909,631</u>	<u>2,747,532</u>
Total expenditures	<u>1,909,631</u>	<u>2,747,532</u>
Excess of revenues over expenditures	1,790,815	397,955
Fund balance at beginning of year	<u>5,718,829</u>	<u>5,320,874</u>
Fund balance at end of year	<u>\$ 7,509,644</u>	<u>\$ 5,718,829</u>

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-31	Glendale Transit Services	\$ 2,500,000	\$ 881,514	\$ 1,618,486	\$ 1,406,365
130-07	Dial-A-Ride	1,000,000	706,682	293,318	708,556
140-11	Recreational Transit	5,000	-	5,000	-
160-44	Install Bus Shelters, Benches And Signs	135,000	-	135,000	-
270-49	Orange line High Speed Maglev Project	40,000	27,419	12,581	-
270-50	Local & Regional Transportation	-	-	-	301,773
300-35	Glendale Transportation Center Refurbishment	308,540	-	308,540	-
310-16	GTC Maintenance	300,000	273,859	26,141	246,378
440-39	Street Improvements	100,000	-	100,000	65,102
480-47	Direct Administration	150,000	20,157	129,843	19,358
Total expenditures		\$ 4,538,540	\$ 1,909,631	\$ 2,628,909	\$ 2,747,532

See accompanying independent auditor's report.

CITY OF GLENDALE
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
6/30/2003	Smart Bus	\$ 113,392	\$ -	\$ -	\$ 113,392
6/30/2003	Bus Maint/Nat Gas Fac	657,469	-	-	657,469
6/30/2006	Bus Shelter/Bench	9,353	-	-	9,353
6/30/2006	Pad Installation	1,612	-	-	1,612
6/30/2006	2005 NEW FLYER C40LF (B58)	81,688	-	-	81,688
6/30/2006	2005 NEW FLYER C40LF (B59)	378,711	-	-	378,711
6/30/2008	Chevy/El Dorado National (D081)	4,925	-	(4,925)	-
6/30/2008	Chevy/El Dorado National (D082)	4,925	-	(4,925)	-
6/30/2008	Chevy/El Dorado National (D083)	4,925	-	-	4,925
6/30/2008	Chevy/El Dorado National (D084)	4,925	-	(4,925)	-
6/30/2008	Ford /Starcraft (D085)	6,423	-	(6,423)	-
6/30/2008	Ford /Starcraft (D086)	6,423	-	(6,423)	-
6/30/2009	Digital Recorders for the New Buses	112,694	-	-	112,694
6/30/2016	Refurbishment of Glendale Transportation Center	94,600	-	-	94,600
6/30/2017	Green Streets Dem Project	250,000	-	-	250,000
6/30/2017	Refurbishment of Glendale Transportation Center	99,364	-	-	99,364
6/30/2018	Bus Stop Improvements per ADA Standards	65,102	1,773	-	66,875
Total \$		<u>1,896,531</u>	<u>\$ 1,773</u>	<u>\$ (27,621)</u>	<u>\$ 1,870,683</u>

See accompanying independent auditor's report.

CITY OF GLENDALE
MEASURE R LOCAL RETURN FUND
BALANCE SHEET
June 30

	2019	2018
ASSETS		
Cash and investments	\$ 13,874,225	\$ 11,603,964
Metro receivable	1,985	-
Interest receivable	64,644	47,255
Total assets	\$ 13,940,854	\$ 11,651,219
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 592,299	\$ 127,449
Accrued wages	-	1,234
Total liabilities	592,299	128,683
 Fund Balance		
Restricted - capital reserve- Beeline Maintenance Facility (Note 11)	2,000,000	-
Restricted	11,351,555	11,522,536
Total fund balance	13,351,555	11,522,536
Total liabilities and fund balance	\$ 13,943,854	\$ 11,651,219

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
MEASURE R LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2019	2018
REVENUES		
Measure R	\$ 2,520,440	\$ 2,337,061
Interest income	262,820	186,652
Unrealized gain (loss) on investments	282,330	(154,047)
Total revenues	3,065,590	2,369,666
 EXPENDITURES		
Various projects	1,236,571	576,510
Total expenditures	1,236,571	576,510
 Excess of revenues over expenditures	1,829,019	1,793,156
 Fund balance at beginning of year	11,522,536	9,729,380
 Fund balance at end of year	\$ 13,351,555	\$ 11,522,536

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Project Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
5.10	Bus purchase	\$ 400,000	\$ -	\$ 400,000	\$ -
5.10	Dial-A-Ride Vehicle Replacement Local Match	-	(1,246) *	1,246	100,721
5.15	Transit Maintenance Facility	9,025,650	1,236,512	7,789,138	449,845
5.15	Transit Maintenance Facility	340,000	-	340,000	-
7.10	Onboard Surveillance System	80,000	1,305	78,695	-
7.90	Update Transportation Model	31,500	-	31,500	25,944
Total expenditures		\$ <u>9,877,150</u>	\$ <u>1,236,571</u>	\$ <u>8,640,579</u>	\$ <u>576,510</u>

* In FY 2018, City participates in a Caltrans program to purchase Dial-A-Ride vehicle. In FY 2019, city received a refund of \$1,246 from Caltrans for closing of an escrow account.

See accompanying independent auditor's report.

CITY OF GLENDALE
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
6/30/2014	NEW FLYER Bus - C40LFR (B79)	\$ 31,699	\$ -	\$ -	\$ 31,699
6/30/2014	NEW FLYER Bus - C40LFR (B80)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B81)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B82)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B83)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B84)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B85)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B86)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B87)	31,699	-	-	31,699
6/30/2014	NEW FLYER Bus - C40LFR (B88)	31,699	-	-	31,699
9/22/2015	SE (Larger Bus) - City Matching Fund	1,246	-	(1,246)	-
12/15/2015	2007 BRAUN	2,023	-	(2,023)	-
12/15/2015	2008 BRAUN	1,726	-	(1,726)	-
12/15/2015	2009 ELDORADO AERO	3,619	-	(3,619)	-
6/30/2016	NEW FLYER Bus - XN40 (B89)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B90)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B91)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B92)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B93)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B94)	135,269	-	-	135,269
6/30/2016	NEW FLYER Bus - XN40 (B95)	179,332	-	-	179,332
6/30/2016	NEW FLYER Bus - XN40 (B96)	179,332	-	-	179,332
6/30/2016	NEW FLYER Bus - XN40 (B97)	179,332	-	-	179,332
6/30/2016	Beeline Maintenance & Operation Facility	122,965	-	-	122,965
6/30/2017	Beeline Maintenance & Operation Facility	54,376	-	-	54,376
12/12/2017	2016 DODGE/BRAUN	10,163	1,228	-	11,391
11/7/2017	2016 DODGE/BRAUN	10,378	1,228	-	11,606
11/7/2017	2016 DODGE/BRAUN	10,378	1,228	-	11,606
11/7/2017	2016 DODGE/BRAUN	10,378	1,228	-	11,606
1/25/2018	2017 Spirit of Mobility	29,712	1,228	-	30,940
1/25/2018	2017 Spirit of Mobility	29,712	1,228	-	30,940
6/1/2018	Beeline Maintenance & Operation Facility	449,845	-	-	449,845
6/30/2019	Beeline Maintenance & Operation Facility	-	1,236,512	-	1,236,512
	Total	\$ 2,403,121	\$ 1,243,880	\$ (8,614)	\$ 3,638,387

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 4,537,925	\$ 2,104,451
Metro receivable	31,310	-
Interest receivable	21,176	7,787
Total assets	\$ 4,590,411	\$ 2,112,238
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 37,445	\$ -
Wages payable	55,434	-
Total liabilities	92,879	-
 Fund Balance		
Restricted	4,497,532	2,112,238
Total fund balance	4,497,532	2,112,238
Total liabilities and fund balance	\$ 4,590,411	\$ 2,112,238

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
MEASURE M LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2019	2018
REVENUES		
Measure M	\$ 2,869,639	\$ 2,117,912
Interest income	74,313	19,822
Unrealized gain (loss) on investments	65,442	(25,496)
Total revenues	3,009,394	2,112,238
 EXPENDITURES		
Various projects	642,100	-
Total expenditures	642,100	-
 Excess of revenues over expenditures	2,367,294	2,112,238
 Fund balance at beginning of year	2,112,238	-
 Fund balance at end of year	\$ 4,479,532	\$ 2,112,238

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2019
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2018)

Code	Project Name	2019			2018 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
2.14	Citywide Commuter Reduction	\$ 100,100	\$ 101,058	\$ (958)	-
2.19	Safe Routes to School	31,300	21,401	9,899	-
2.19	Traffic Demand Model	120,500	3,014	117,486	-
3.90	Train Station 1st/Last Mile- Phase I	737,500	44,554	692,946	-
3.05	Bicycle Transportation Planning	34,100	24,822	9,278	-
3.05	Ped Plan Implementation - Traffic Study	381,750	28,823	352,927	-
3.25	Bike Sharing - Match for Metro Grant	300,000	2,844	297,156	-
3.90	Safety Education Initiative	44,000	17,028	26,972	-
3.90	Applying for ATP Grants	50,600	27,709	22,891	-
4.90	Transit Route Analysis	200,000	176,284	23,716	-
5.90	Pas to NoHo BRT EIR	17,800	10,254	7,546	-
5.90	Streetcar Feasibility	51,450	33,601	17,849	-
7.90	Circulation Element of the General Plan	1,572,000	12,997	1,559,003	-
7.10	AVCJPA MMRF Coordination	51,400	31,310	20,090	-
7.90	South Glendale Community Plan - Transportation Portion	67,100	30,279	36,821	-
7.90	East-West Community Plan - Transportation Portion	83,500	28,346	55,154	-
8.10	Fund Administration (20% cap)	200,000	-	200,000	-
10.1	Space 134 -Transportation Portion	57,750	29,776	27,974	-
	Total expenditures	\$ <u>4,100,850</u>	\$ <u>624,100</u>	\$ <u>3,476,750</u>	\$ <u>-</u>

See accompanying independent auditor's report.

CITY OF GLENDALE
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2019

Date Acquired	Description	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

CITY OF GLENDALE
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)
BALANCE SHEETS
June 30

	2019	2018
ASSETS		
Cash and investments	\$ 140,100	\$ 82,309
Interest receivable	61	45
Total assets	\$ 140,161	\$ 82,354
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	140,161	82,354
Total fund balance	140,161	82,354
Total liabilities and fund balance	\$ 140,161	\$ 82,354

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	2019	2018
REVENUES		
TDA 3	\$ 127,780	\$ 71,000
Interest income	1,345	170
Total revenues	129,125	71,170
 EXPENDITURES		
Various projects	71,318	-
Total expenditures	71,318	-
 Excess of revenues over expenditures	57,807	71,170
 Fund balance at beginning of year	82,354	11,184
 Fund balance at end of year	\$ 140,161	\$ 82,354

The accompanying notes are an integral part of the financial statements.

CITY OF GLENDALE
 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
 SUPPLEMENTARY INFORMATION

SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
 ALLOCATION FOR SPECIFIC PROJECTS

For the Fiscal Year Ended June 30, 2019

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local allocations					
SR 134- Freeway Ramps Engineering - Pedestrian, Bicycle, BRT, 1st/Last Mile Amenities.	2018-19	\$ 100,000	\$ 71,318	\$ 28,682	Ongoing
City wide Pedestrian Plan- Implementation adoption	2018-19	<u>27,780</u>	<u>-</u>	<u>27,780</u>	Ongoing
	Total	\$ <u>127,780</u>	\$ <u>71,318</u>	<u>56,462</u>	
Unexpended interest accumulated to date				1,345	
Fund balance at beginning of year				<u>82,354</u>	
Fund balance at end of year				<u>\$ 140,161</u>	*

* The City has encumbered the remaining fund balance of \$140,161 for both project listed as of June 30, 2019.

See accompanying independent auditor's report.

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

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

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

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

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

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

Basis of Accounting and Measurement Focus

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

Special Revenue Funds are reported on 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. Statement of revenues, expenditures and change in fund balance for Special Revenue Funds generally presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Budgets and Budgetary Accounting

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

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement

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

Refer to City's 2019 Comprehensive Annual Financial Report for detailed disclosures regarding the City's investment policy and fair value measurement.

Fund Balance Reporting

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

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

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

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

NOTE 2 – ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines and Transportation Development Act Article 3 and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

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

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

NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

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

NOTE 5 – MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

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

NOTE 6 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 – CASH AND INVESTMENTS

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

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 8 - DUE FROM OTHER AGENCIES

Due from other agencies as of June 30, 2019 and 2018 consisted of the following:

PALRF

	2019	2018
Metro	\$ 218,035	\$ 396,593
Access Services	16,194	22,896
LOSSAN Rail Corridor Agency	953	1,011
Metrolink	11,898	75,927
City of La Canada Flintridge	50,504	71,209
Total payment requested	\$ 297,584	\$ 567,636

PCLRF

	2019	2018
Metro	\$ 244,126	\$ 498,032
Access Services	4,201	10,287
LOSSAN Rail Corridor Agency	247	454
Metrolink	14,865	34,112
City of La Canada Flintridge	33,904	49,484
Total payment requested	\$ 297,343	\$ 592,369

NOTE 9 – PROPOSITION A DISCRETIONARY INCENTIVE GRANTS

In FY 2019 and FY 2018, the City received Proposition A Discretionary Incentive Grants totaling to \$274,603 and \$266,119 respectively, which were recorded under the Transit Utility Fund of the City as permitted by Metro. These grants were for the cities participation in the Voluntary National Transit Database (NTD) reporting program and for the Glendale Paratransit Program with the City of La Cañada Flintridge and the County of Los Angeles.

NOTE 10 - PROJECT GENERATED REVENUES - PALRF AND PCLRF

During the year ended June 30, 2019 and 2018 the City’s PALRF earned project generated revenue of \$13,883 and \$19,025, respectively. Project generated revenues consist of revenues received from Metro Pass sales.

During the year ended June 30, 2019 and 2018 the City’s PCLRF earned project generated revenue of \$6,265 and \$20,836, respectively. Project generated revenues consist of revenues generated from the City’s parking garage.

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 11 – CAPITAL RESERVE

In June 2019, Metro and the City entered into an agreement to establish a capital reserve account (Account) of \$2,000,000 for the Beeline Maintenance Facility (Project). The Account will be funded with the MRLRF of \$2,000,000. All interest and investment earnings shall be accrued and placed in the Account for exclusive use of the Project. With the exception granted by Metro in writing to extend the terms, unexpended funds will be automatically lapsed in three (3) years. The City intends to use of the funds for the project on or before June 30, 2022 and will submit annual program reports for the use of the account.

For the years ended June 30, 2019 and 2018, the following is the capital project balance appropriated from the Account:

		MRLRF	
Account at 6/30/18	\$	-	
Allocations and earnings during the year		2,000,000	
Account at 6/30/19	\$	2,000,000	

NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the years ended June 30, 2019 and 2018 consisted of the following:

		2018		2017
FY 2013-14 allocation	\$	-	\$	71,000
FY 2014-15 allocation		127,780		-
Total payment requested	\$	127,780	\$	71,000

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED

In accordance with TDA Article 3 (SB821) Guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2019, and 2018, the City has funds on reserve as follows:

		2019		2018
FY 2014-15 allocation	\$	-	\$	127,780
FY 2015-16 allocation		124,739		124,739
FY 2016-17 allocation		131,952		131,952
FY 2017-18 allocation		131,312		131,312
FY 2018-19 allocation		136,741		-
Available reserve balance	\$	524,744	\$	515,783

CITY OF GLENDALE
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 14 - SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2019 through November 22, 2019, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS
FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

**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 Glendale, California and the
Los Angeles County Metropolitan Transit Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Glendale, California (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the Funds’ financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the 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 City’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
November 22, 2019

COMPLIANCE SECTION



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS
FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320 LOS
ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report On Compliance

To the Honorable Members of the City Council of the
City of Glendale, California and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

We have audited the compliance of the City of Glendale, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2019.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

In our opinion, the City complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2019.



Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
November 22, 2018

CITY OF GLENDALE
COMPLIANCE MATRIX
Year Ended June 30, 2019

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds						
1.	Uses the State Controller's Uniform System of Accounts and Records.	X			None	
2.	Timely use of funds.	X			None	
3.	Funds expended were approved and have not been substituted for property tax.	X			None	
4.	Expenditures that exceeded 25% of approved project budget have approved amended project Description Form (Form A).	X			None	
5.	Administrative expenditures are within the 20% cap of the total annual Local Return Expenditures.	X			None	
6.	All on-going and carryover projects were reported in Form B.	X			None	
7.	Annual Project Summary Report (Form B) was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) was submitted on time.	X			None	
9.	Cash or cash equivalents are maintained.	X			None	
10.	Accounting procedures, record keeping and documentation are adequate.	X			None	
11.	Pavement Management System (PMS) was in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
12.	Local Return Account is credited for reimbursable expenditures.	X			None	
13.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X	None	There was no Intelligent Transportation Systems projects in FY 2018/19.
14.	Assurances and Understandings form was on file.	X			None	
15.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY 2018/19.

CITY OF GLENDALE
COMPLIANCE MATRIX
Year Ended June 30, 2019

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
1.	Funds were expended for transportation purposes	X			None	
2.	Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X			None	
3.	Signed Assurances and Understandings was on file.	X			None	
4.	Separate Measure R Local Return Account was established.	X			None	
5.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenditures are within the 20% cap.			X	None	There were no administrative expenditures in FY 2018/19.
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2018/19.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.	X			None	
13.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY 2018/19.

CITY OF GLENDALE
COMPLIANCE MATRIX
Year Ended June 30, 2019

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
1.	Funds were expended for transportation purposes.	X			None	
2.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
3.	Signed Assurances and Understandings was on file.	X			None	
4.	Separate Measure M Local Return Account was established.	X			None	
5.	Revenue received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenses are within the 20% cap.	X			None	
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2018/19.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.	X			None	
13.	Recreational transit form was submitted timely.			X	None	There was no recreational transit in FY 2018/19.

CITY OF GLENDALE
COMPLIANCE MATRIX
 Year Ended June 30, 2019

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

CITY OF GLENDALE
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2019

No Finding were noted

EXIT CONFERENCE

CITY OF GLENDALE
PROPOSITION A, PROPOSITION C, MEASURE R, MEASURE M LOCAL RETURN FUNDS,
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
EXIT CONFERENCE
June 30, 2019

An exit conference was held on November 22, 2019 with the City of Glendale. Those in attendance were:

Simpson & Simpson Representative:

Tian Bian, Senior Auditor

City's Representatives:

Alwin DeLeon, Accounting Supervisor

Steve Kim, Accountant I

Matters Discussed:

Results of the audit disclosed no significant control deficiencies and no non-compliance issue with Metro Guidelines.

A copy of this report was forwarded to the following City representative(s) for their comments prior to the issuance of the final report:

Alwin DeLeon, Accounting Supervisor

Steve Kim, Accountant I

Simpson & Simpson, LLP
633 West 5th Street, Suite 3320
Los Angeles, CA 90071

RE: CITY OF GLENDALE ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND, TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, Transportation Development Act Article 3 Fund for the fiscal years ended June 30, 2019 and 2018 for the City of Glendale and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date