

***CITY OF BURBANK
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 BURBANK
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 Project	21
Notes to Financial Statements	22
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with <i>Government Auditing Standards</i>	28

CITY OF BURBANK
TABLE OF CONTENTS
(Continued)

COMPLIANCE SECTION

Independent Auditor's Report on Compliance	30
Compliance Matrix	32
Schedule of Findings and Recommendations	36

EXIT CONFERENCE	37
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FINANCIAL SECTION



SIMPSON & SIMPSON

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Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Burbank, 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 Burbank, 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 Burbank, 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 Burbank, 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 December 27, 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
December 27, 2019

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

	2019	2018
ASSETS		
Cash and investments	\$ 2,312,619	\$ 2,138,345
Interest receivable	11,990	9,605
Accounts receivable	3,110	5,759
Due from Metro	111,130	87,454
Total assets	\$ 2,438,849	\$ 2,241,163
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 44,587	\$ 31,258
Total liabilities	44,587	31,258
 Fund Balance		
Restricted	2,394,262	2,209,905
Total fund balance	2,394,262	2,209,905
Total liabilities and fund balance	\$ 2,438,849	\$ 2,241,163

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

CITY OF BURBANK
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	\$ 2,108,653	\$ 1,960,645
Proposition A Discretionary Incentive Grant (Note 11)	111,130	90,140
Proposition A Growth Over Inflation Grant (Note 11)	139,512	87,454
Investment income	91,451	6,651
Project generated revenue (Note 10)	81,275	82,809
Miscellaneous revenue (Note 8)	27,122	30,921
Total revenues	2,559,143	2,258,620
EXPENDITURES		
Various projects	2,124,144	2,019,402
Total expenditures	2,124,144	2,019,402
Excess of revenues over expenditures	434,999	239,218
OTHER FINANCING USES		
Operating transfer out to PCLRF	(250,642)	(177,594)
Excess of revenues over expenditures and other financing uses	184,357	61,624
Fund balance at beginning of year	2,209,905	2,148,281
Fund balance at end of year	\$ 2,394,262	\$ 2,209,905

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

CITY OF BURBANK
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)	
120-03	Burbank Transportation Service	\$ 1,669,040	1,629,509	\$ 39,531	\$ 1,545,318
150-06	Bus Stop Improvements	1	-	1	-
180-03	Bus Replacement 2017	1	-	1	36,906
310-07	RITC Operations and Maintenance	385,000	329,359	55,641	275,410
380-01	Vehicle Equipment Replacement				
	Fund	14,724	14,724	-	40,562
480-01	Planning & Administration	162,359	150,552	11,807	121,206
	Total expenditures	\$ 2,231,125	\$ 2,124,144	\$ 106,981	\$ 2,019,402

See accompanying independent auditor's report.

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

<u>Date Acquired</u>	<u>Description</u>	<u>Balance</u> <u>7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2019</u>
Jan-92	Land 101-201 N. Front St.	\$ 2,475,000	\$ -	\$ -	\$ 2,475,000
Feb-96	Land - Burbank Branch Row	428,000	-	-	428,000
Nov-96	Concrete Bus Benches	34,857	-	-	34,857
Jun-97	RITC Station	6,724,780	-	-	6,724,780
Jun-97	Land 217-233 Front Street	1,193,489	-	-	1,193,489
Jun-97	Land 123-211 Front Street	2,233,543	-	-	2,233,543
May-08	Paratransit Vans (4)	220,757	-	-	220,757
Apr-16	Senior & Disabled Buses (2)	140,228	-	-	140,228
Apr-18	Star Craft Buses (3)	-	27,587 *	-	27,587
Total		<u>\$ 13,450,654</u>	<u>\$ 27,587</u>	<u>\$ -</u>	<u>\$ 13,478,241</u>

* 3 Star Craft buses in the amount of \$27,587 that were purchased in April 2018 were not included in the prior year report due to timing of reconciliation of addition and deletion to capital assets. The City performed the reconciliation in December 2018.

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 3,328,983	\$ 2,854,263
Due from Metro	80,805	17,118
Interest receivable	15,462	12,193
Prepaid items	10,000	-
Total assets	\$ 3,435,250	\$ 2,883,574
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 304,850	\$ 215,441
Total liabilities	304,850	215,441
 Fund Balance		
Restricted	3,130,400	2,668,133
Total fund balance	3,130,400	2,668,133
Total liabilities and fund balance	\$ 3,435,250	\$ 2,883,574

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

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

	2019	2018
REVENUES		
Proposition C	\$ 1,749,068	\$ 1,626,316
Investment income	119,683	8,313
Project generated revenue (Note 10)	129,778	125,712
Miscellaneous revenue (Note 8)	626	1,836
Total revenues	1,999,155	1,762,177
 EXPENDITURES		
Various projects	1,787,530	2,126,310
Total expenditures	1,787,530	2,126,310
 Excess (deficiency) of revenues over (under) expenditures	211,625	(364,133)
 OTHER FINANCING SOURCES		
Operating transfer in from PALRF	250,642	177,594
 Excess (deficiency) of revenues over (under) expenditures and other financing sources	462,267	(186,539)
 Fund balances at beginning of year	2,668,133	2,854,672
 Fund balances at end of year	\$ 3,130,400	\$ 2,668,133

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

CITY OF BURBANK
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)	
110-02	Metrolink Shuttles	\$ 1,408,031	1,297,584	\$ 110,447	\$ 1,575,795
120-04	General Public Paratransit	60	48	12	-
270-02	SFV Transportation Zone Financial Analysis	50,000	40,667	9,333	48,679
280-01	Transit Marketing	250	280	(30)	284
310-08	Transit Centers Program	97,500	76,623	20,877	76,821
380-01	Vehicle Equipment Replacement Fund	118,000	102,354	15,646	91,031
480-02	Direct Administration	40	33	7	33
480-07	Transportation Administration - Prop C	360,045	269,941	90,104	333,667
	Total expenditures	\$ 2,033,926	\$ 1,787,530	\$ 246,396	\$ 2,126,310

See accompanying independent auditor's report.

CITY OF BURBANK
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
Jan-97	Electric Bus Storage Facility	\$ 22,480	\$ -	\$ -	\$ 22,480
Jan-04	CNG Fuel Buses	871,829	-	747,282 *	124,547
Feb-07	CNG Fuel Buses (5)	1,675,243	-	-	1,675,243
Aug-09	CNG Fuel Buses (5)	147,137	-	-	147,137
Oct-12	Hydrogen Hybrid Fuel Cell Transit Bus	155,458	-	-	155,458
May-17	CNG Fuel Buses (6)	2,168,268	747,282 *	-	2,915,550
	Total \$	<u>5,040,415</u>	<u>\$ 747,282</u>	<u>\$ 747,282</u>	<u>\$ 5,040,415</u>

* One CNG Fuel Bus acquired in January 2004 in the amount of \$747,282 was reclassified to CNG Fuel Buses acquired in May 2017 to conform with the City's records.

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 3,940,683	\$ 4,620,511
Due from Metro	-	119,699
Interest receivable	21,253	20,133
Total assets	\$ 3,961,936	\$ 4,760,343
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 524,558	\$ 1,059,073
Total liabilities	524,558	1,059,073
 Fund Balance		
Restricted	3,437,378	3,701,270
Total fund balance	3,437,378	3,701,270
Total liabilities and fund balance	\$ 3,961,936	\$ 4,760,343

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

CITY OF BURBANK
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	\$ 1,312,178	\$ 1,218,084
Service charges (Note 9)	-	338,374
Investment income	180,806	1,206
Miscellaneous revenue (Note 8)	923	2,763
Total revenues	1,493,907	1,560,427
 EXPENDITURES		
Various projects	1,841,597	1,461,379
Total expenditures	1,841,597	1,461,379
 (Deficiency) excess of revenues (under) over expenditures	(347,690)	99,048
 OTHER FINANCING SOURCES		
Intra city contra account (Note 12)	83,798	73,707
 (Deficiency) excess of revenue (under) over expenditures and other financing sources	(263,892)	172,755
 Fund balance at beginning of year	3,701,270	3,528,515
 Fund balance at end of year	\$ 3,437,378	\$ 3,701,270

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

CITY OF BURBANK
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)	
1.05	Street Rehab and Design, and Pothole Repair	\$ 1,000,000	\$ 886,617	\$ 113,383	\$ 1,192,384
3.05	First Street Bikeway	200,000	57,578	142,422	-
3.90	Safe Routes to School	150,000	43,271	106,729	-
4.20	Operating Subsidy to Existing Bus Operator	665,000	537,635	127,365	256,967
5.15	Burbank Airport - North Metrolink Station	80,000	34,436	45,564	6,028
7.90	Planning, Survey & Design	100,000	189,043	(89,043)	6,000
7.20	Downtown Burbank Parking Study	350,000	89,725	260,275	-
8.10	Fund Administration (20% Cap)	2,240	3,292	(1,052)	-
Total expenditures		\$ 2,547,240	\$ 1,841,597	\$ 705,643	\$ 1,461,379

See accompanying independent auditor's report.

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

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

See accompanying independent auditor's report.

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

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and investments	\$ 2,501,470	\$ 1,087,071
Due from Metro	119,428	-
Interest receivable	11,750	3,987
Total assets	<u>\$ 2,632,647</u>	<u>\$ 1,091,058</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
 Fund Balance		
Restricted	<u>2,632,647</u>	<u>1,091,058</u>
Total fund balance	<u>2,632,647</u>	<u>1,091,058</u>
Total liabilities and fund balance	<u>\$ 2,632,647</u>	<u>\$ 1,091,058</u>

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

CITY OF BURBANK
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	\$ 1,477,837	\$ 1,103,862
Investment income (loss)	63,752	(12,838)
Miscellaneous revenue (Note 8)	-	34
Total revenues	1,541,589	1,091,058
 EXPENDITURES		
Various projects	-	-
Total expenditures	-	-
 Excess of revenues over expenditures	1,541,589	1,091,058
 Fund balance at beginning of year	1,091,058	-
 Fund balance at end of year	\$ 2,632,647	\$ 1,091,058

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

CITY OF BURBANK
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2019

Project Code	Project Name	2019			2018
		Metro Budget	Actual	Variance Favorable (Unfavorable)	Actual
None		\$ -	\$ -	\$ -	\$ -
	Total expenditures	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

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

See accompanying independent auditor's report.

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

	2019	2018
ASSETS		
Cash and investments	\$ 193,425	\$ 96,282
Accounts receivable	1,222	-
Total assets	\$ 194,647	\$ 96,282
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	194,647	96,282
Total fund balance	194,647	96,282
Total liabilities and fund balance	\$ 194,647	\$ 96,282

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

CITY OF BURBANK
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	\$ 150,000	\$ 212,141
Investment income	3,804	-
Total revenues	153,804	212,141
 EXPENDITURES		
Various projects	55,439	302,181
Total expenditures	55,439	302,181
 Excess (deficiency) of revenues over (under) expenditures	98,365	(90,040)
 Fund balance at beginning of year	96,282	186,322
 Fund balance at end of year	\$ 194,647	\$ 96,282

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

CITY OF BURBANK
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
For the Fiscal Year Ended June 30, 2019

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Under-expended Allocations</u>	<u>Project Status</u>
Local Allocations					
Bike & Ped Minor Proj. Imp.	2019	\$ 100,000	\$ 22,645	\$ 77,355	Ongoing
Downtown Pedestrian Improvements	2019	50,000	32,794	17,206	Ongoing
Total		<u>\$ 150,000</u>	<u>\$ 55,439</u>	94,561	
Unexpended interest accumulated to date				3,804	
Fund balance at beginning of year				96,282	
Fund balance at end of year				<u>\$ 194,647</u>	a)

a) The City has encumbered **\$190,843** out of \$194,647 fund balance as follows:

Project 19056 San Fernando Bikeway = \$77,419

Requisition #38630: Professional Services Agreement with Kimley-Horn

Project 22377 Bike & Ped Minor Proj. Imp. = \$96,218

Requisition #51981 & 52112 = \$22,972 & PO 155399 = \$6,227: Professional Services Agreement with Transportation Energy Solutions

Requisition #53036 = \$67,019: Professional Services Agreement with Sterndahl Enterprises Inc.

Project 23008 - Downtown Pedestrian Improvements = \$17,206

Requisition #53035: Professional Services Agreement with Sterndahl Enterprises Inc.

See accompanying independent auditor's report.

CITY OF BURBANK
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 revenue, expenditures and changes in fund balance for Special Revenue Funds generally present increase (revenue 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 BURBANK
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 Government Accounting Standards 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 2018 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 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 BURBANK
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 Capital Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

NOTE 6 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 – CASH AND INVESTMENTS

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F's cash and investment balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash 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 BURBANK
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2019 and 2018
(Continued)

NOTE 8 – MISCELLANEOUS REVENUE

During the fiscal years ended June 30, 2019 and 2018 the City’s PALRF earned miscellaneous revenues in the amounts of \$27,122 and \$30,921, respectively. Miscellaneous revenues for the fiscal years ended June 30, 2019 and 2018 consisted of the following:

PALRF:	<u>FY 2019</u>	<u>FY 2018</u>
Supplemental transportation services provided within the City	\$ 21,773	\$ 29,522
Prop A Grant Revenue - Miscellaneous Recovery	3,807	-
Prop A Damaged Recovery	1,042	-
Litigation Settlement	500	1,399
Total \$	<u>27,122</u>	<u>\$ 30,921</u>

During the fiscal years ended June 30, 2019 and 2018 the City’s PCLRF earned miscellaneous revenues of \$626 and \$1,836, respectively. Miscellaneous revenues for the fiscal years ended June 30, 2019 and June 30, 2018 consist of revenue from the litigation settlement with Lehman Brothers.

During the fiscal years ended June 30, 2019 and 2018 the City’s MRLRF earned miscellaneous revenues of \$923 and \$2,763 respectively. Miscellaneous revenues for the fiscal years ended June 30, 2019 and June 30, 2018 consist of revenue from the litigation settlement with Lehman Brothers.

During the fiscal years ended June 30, 2019 and 2018 the City’s MMLRF earned miscellaneous revenues of \$0 and \$34, respectively. Miscellaneous revenues for the fiscal year ended June 30, 2018 consist of revenue from the litigation settlement with Lehman Brothers.

NOTE 9 – MEASURE R SERVICE CHARGES

During the fiscal year 2017, the City obtained approval from Metro to use Measure R funds to supplement structural budget deficient in the PALRF. The funds were used to support the existing bus operations. Because the City’s existing bus service is impacted by Metro/Caltrans Interstate 5/Empire Interchange Project, Metro is reimbursing the City for traffic mitigation measures with Measure R funds. The City earned \$0 and \$338,374 during the fiscal years ended June 30, 2019 and June 30, 2018, respectively.

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

NOTE 10 – PROJECT GENERATED REVENUE

Project generated revenue for the years ended June 30, 2019 and 2018 consisted of the following:

PALRF:	<u>FY 2019</u>	<u>FY 2018</u>
Transportation fare	\$ 18,684	\$ 20,379
Senior passes	3,860	4,898
Transportation service fee	58,731	57,532
Total	<u>\$ 81,275</u>	<u>\$ 82,809</u>
PCLRF:	<u>FY 2019</u>	<u>FY 2018</u>
Metrolink Shuttle	\$ 123,378	\$ 119,237
Vending revenue	6,400	6,475
Total	<u>\$ 129,778</u>	<u>\$ 125,712</u>

NOTE 11 – PROPOSITION A DISCRETIONARY INCENTIVE GRANTS AND PROPOSITION A GROWTH OVER INFLATION GRANT

The Proposition A Discretionary Incentive Grant amounting to \$111,130 and \$90,140 for the years ended June 30, 2019 and 2018, respectively, represent additional funds received from Metro for participating in the Voluntary National Transit Database (NTD) Program. The Proposition A Discretionary Incentive Grant was recorded in the PALRF and a transfer out was made to the PCLRF where the corresponding expenditures were recorded.

The Proposition A Growth Over Inflation Grant amounting to \$139,512 and \$87,454 for the years ended June 30, 2019 and 2018, respectively, represent additional funds received from Metro to expand and improve fixed route transit services provided in the Burbank area. The revenue was recorded in the PALRF and a transfer out was made to the PCLRF where the corresponding expenditures were recorded.

NOTE 12 – INTRA CITY CONTRA ACCOUNT

The Intra City Contra Account is the City’s supplemental cost allocation plan which Burbank Water and Power (BWP) pays for its share of wear and tear on the City’s streets and reimburses the funds that pay for street maintenance. Because Measure R Local Return funded street improvements under the Street Rehab and Design, and Pothole Repair Project (1.001, 1.05) in FY 2017-2018, BWP reimbursed the fund for BWP’s share of those costs.

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

NOTE 13 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

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

	<u>2019</u>	<u>2018</u>
FY 2013/14 allocation	\$ -	\$ 72,207
FY 2014/15 allocation	-	69,279
FY 2015/16 allocation	-	67,247
FY 2016/17 allocation	66,877	3,408
FY 2017/18 allocation	68,448	-
FY 2018/19 allocation	14,675	-
Total payment requested	<u>\$ 150,000</u>	<u>\$ 212,141</u>

NOTE 14 – 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:

	<u>2019</u>	<u>2018</u>
FY 2016/17 allocation	\$ -	\$ 66,877
FY 2017/18 allocation	-	68,448
FY 2018/19 allocation	56,522	-
Available reserve balance	<u>\$ 56,522</u>	<u>\$ 135,325</u>

NOTE 15 – SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2019 through December 27, 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

**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 Burbank, 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 Burbank, 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 December 27, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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





Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 cursive script that reads "Simpson & Simpson".

Los Angeles, California
December 27, 2019

COMPLIANCE SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report On Compliance

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

Report on Compliance

We have audited the compliance of the City of Burbank, 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 Article 3 Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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





Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Guidelines and which is described in the accompanying Schedule of Finding and Recommendation as Finding No. 2019-001. Our opinion on each local return program and Transportation Development Act Article 3 is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Finding and Recommendation. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

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

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

Los Angeles, California
December 27, 2019

CITY OF BURBANK
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	There were no expenditures that exceeded 25% of approved project budget.
5.	Administrative expenses 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) is in place and being used for Street Maintenance or Improvement Projects Expenditures.			X	None	There were no Street Maintenance or Improvement Project Expenditures in FY 2018/19.
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 were no Intelligent Transportation Systems projects or elements 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 BURBANK
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
1.	Funds were expended for transportation purposes	X			None	
2.	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	
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 BURBANK
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
1.	Funds were expended for transportation purposes.			X	None	There were no expenditures in FY 2018/19.
2.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a funding shortfall.			X	None	There were no expenditures in FY 2018/19.
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	There were no expenditures in FY 2018/19.
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	There were no expenditures in FY 2018/19.
10.	Administrative expenses are within the 20% cap.			X	None	There were no 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	There were no capital reserve funds in FY 2018/19.
13.	Recreational transit form was submitted timely.			X	None	There were no expenditures in FY 2018/19.

CITY OF BURBANK
COMPLIANCE MATRIX
Year Ended June 30, 2019
(Continued)

	Compliance Requirement	In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
D. Transportation Development Act Article 3 Fund						
1.	Timely use of funds.		X		\$3,804	See Finding No. 2019-001 on the Schedule of Findings and Recommendations.
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	

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

TDAA3F: Finding No. 2019-001

Compliance Requirement	According to Los Angeles County Metropolitan Transportation Authority’s Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (TDA Article 3 Guidelines), “Agencies may only draw down local return funds if they will be fully spent or encumbered before the end of the fiscal year (June 30) in which they were allocated. Agencies are not allowed to have a fund balance at the end of the fiscal year. Any funds drawn down and that remain unspent after the end of the fiscal year must be returned to Metro to be placed on reserve for the city under the fiscal year in which they were originally allocated. Agencies must also fully spend any interest accumulated by these funds by the end of the fiscal year in which the funds were allocated.”
Condition	At June 30, 2019, the City had fund balance of \$194,467. Although \$190,8463 of the \$194,467 were encumbered on eligible projects, the remaining \$3,804 which is investment income accumulated by the fiscal year 2018-19 fund balance was not spent or encumbered on any projects as of June 30, 2019 as required by the Guidelines.
Cause	The investment income allocation of \$3,804 is a recommended journal entry as a result of the MTA audit due to its materiality to TDA 3 financial statements that the City was not aware of.
Effect	TDA 3 funds were not expended or encumbered before the end of the fiscal year and has not been returned to LACMTA to be placed on reserve by June 30, 2019 resulting in questioned costs of \$3,804.
Recommendation	We recommend that the City implement internal control procedures to ensure that all TDA Article 3 funds drawn are fully spent or encumbered before the end of fiscal year. If there are any funds not spent during the fiscal year, the City should return the TDA Article 3 funds to LACMTA to be placed on reserve or encumbered on eligible projects.
Management’s Response	The City has encumbered the \$190,843 of the \$194,647 TDA 3 Fund Balance by 6/30/19. However, the City was not aware of the remaining \$3,804 fund balance that is a result of the investment income allocation recommended by the auditor. Going forward, the City will start tracking the interest each month to allocate to TDA 3 and ensure that the fund balance is appropriately encumbered on eligible projects by the fiscal year end.
Finding Corrected During the Audit	On December 27, 2019, LACMTA granted the City an extension on the usage of lapsed funds (investment income) until June 30 th , 2020.

EXIT CONFERENCE

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

An exit conference was held on December 27, 2019 with the City of Burbank. Those in attendance were:

Simpson & Simpson Representative:

Steve Quon, Senior Auditor

City's Representative:

Beverly Wong, Senior Administrative Analyst

Matters Discussed:

Results of the audit disclosed no significant control deficiencies and one (1) 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:

Beverly Wong, Senior Administrative Analyst

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

RE: CITY OF BURBANK ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 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 and Transportation Development Act Article 3 Fund for the years ended June 30, 2019 and 2018 for the City of Burbank and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date