

***CITY OF GLENDORA
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, 2020 AND 2019***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

CITY OF GLENDORA
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FINANCIAL SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Glendora, 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 Glendora, California (the City) as of and for the years ended June 30, 2020 and 2019, 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 Glendora, California, as of June 30, 2020 and 2019, 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 Glendora, California, as of June 30, 2020 and 2019, 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 16, 2020, 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 16, 2020

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and investments	\$ 874,907	\$ 717,863
Accounts receivable	1,700	68,074
Interest receivable	<u>2,104</u>	<u>1,765</u>
Total assets	<u>\$ 878,711</u>	<u>\$ 787,702</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 42,548	\$ 84,350
Accrued payroll liabilities	<u>15,158</u>	<u>21,425</u>
Total liabilities	<u>57,706</u>	<u>105,775</u>
 Fund Balance		
Restricted	<u>821,005</u>	<u>681,927</u>
Total fund balance	<u>821,005</u>	<u>681,927</u>
Total liabilities and fund balance	<u>\$ 878,711</u>	<u>\$ 787,702</u>

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

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

	2020	2019
REVENUES		
Proposition A	\$ 1,018,617	\$ 1,056,163
Proposition A Incentive Grant (Note 8)	-	66,374
Interest income	13,039	8,763
Project generated revenue (Note 9)	39,210	54,634
Unrealized gain on investments	10,807	12,111
Total revenues	1,081,673	1,198,045
EXPENDITURES		
Various projects	947,274	1,238,243
Total expenditures	947,274	1,238,243
OTHER FINANCING SOURCES (USE)		
Transfer-in from General Fund (Note 10)	4,679	-
Transfer-in from Pension Obligation Bond Fund (Note 11)	563,654	-
Transfer-out to Pension Obligation Bond Fund (Note 11)	(563,654)	-
Total other financing source (use)	4,679	-
Excess (deficiency) of revenues over expenditures and other financing sources (use)	139,078	(40,198)
Fund balance at beginning of year	681,927	722,125
Fund balance at end of year	\$ 821,005	\$ 681,927

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

CITY OF GLENDORA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020		Variance Favorable (Unfavorable)	2019 Actual
		Metro Budget	Actual		
110-01	Fixed Route Service	\$ 334,098	\$ 275,161	\$ 58,937	\$ 302,426
130-01	Paratransit/Senior and Disabled	585,896	482,540	103,356	514,958
140-03	Special Event Transit	85,000	48,089	36,911	69,369
140-08	Special Event Coordinator	5,000	3,595	1,405	26,129
170-05	Bus Shelter Improvements	-	-	-	14,173
200-13	Vehicle Purchase	-	-	-	65,619
250-01	Bus Pass Subsidy Program	30,000	20,525	9,475	18,325
270-07	Transportation Planning Superintendent/Contract Program Analyst	72,486	65,646	6,840	58,200
280-01	Transit Marketing	10,000	7,306	2,694	9,986
480-04	Administration Proposition A	100,000	44,412	55,588	159,058
	Total expenditures	\$ 1,222,480	\$ 947,274	\$ 275,206	\$ 1,238,243

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

CITY OF GLENDORA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
3/90	Computer	\$ 1,869	-	-	\$ 1,869
2/90	Copier	1,703	-	-	1,703
1/00	Lighting Control	19,809	-	-	19,809
12/00	Firewall Software	6,533	-	-	6,533
4/16	GMC Arboc Low Floor GNG Bus	53,777	-	-	53,777
8/16	2017 MV-1 Mobility Venture	63,190	-	-	63,190
8/18	2018 Ford Transit Norcal Van	65,619	-	-	65,619
Total		\$ 212,500	-	-	\$ 212,500

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

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and investments	\$ 1,485,292	\$ 1,763,298
Interest receivable	<u>6,606</u>	<u>9,847</u>
Total assets	<u>\$ 1,491,898</u>	<u>\$ 1,773,145</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ <u>44,995</u>	\$ <u>44,156</u>
Total liabilities	<u>44,995</u>	<u>44,156</u>
 Fund Balance		
Restricted	<u>1,446,903</u>	<u>1,728,989</u>
Total fund balance	<u>1,446,903</u>	<u>1,728,989</u>
Total liabilities and fund balance	<u>\$ 1,491,898</u>	<u>\$ 1,773,145</u>

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

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Proposition C	\$ 844,945	\$ 876,058
Interest income	39,030	47,082
Unrealized gain on investments	34,236	45,134
Total revenues	<u>918,211</u>	<u>968,274</u>
 EXPENDITURES		
Various projects	<u>1,200,297</u>	<u>1,010,329</u>
Total expenditures	<u>1,200,297</u>	<u>1,010,329</u>
 Deficiency of revenues over expenditures	 (282,086)	 (42,055)
 Fund balance at beginning of year	 <u>1,728,989</u>	 <u>1,771,044</u>
 Fund balance at end of year	 <u>\$ 1,446,903</u>	 <u>\$ 1,728,989</u>

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

CITY OF GLENDORA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020		Variance	2019 Actual
		Metro Budget	Actual	Favorable (Unfavorable)	
170-04	Bus Shelter Maintenance Personnel	\$ 260,000	\$ 150,378	\$ 109,622	\$ 175,116
270-07	Transportation Planning Superintendent/Contract Program Analyst	72,486	65,646	6,840	58,200
440-18	Lone Hill Avenue Street Improvements Phase 2 - Gladstone to LA Company Wash	45,000	-	45,000	700,330
440-22	Lone Hill Phase I	475,000	-	475,000	-
440-23	Urban Trail and Greenway Network	210,000	-	210,000	-
440-24	Loraine Avenue Street Improvements - Sierra Madre to Foothill	900,297	900,297	-	-
480-03	Administration Proposition C	110,000	83,976	26,024	76,683
	Total expenditures	<u>\$ 2,072,783</u>	<u>\$ 1,200,297</u>	<u>\$ 872,486</u>	<u>\$ 1,010,329</u>

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

CITY OF GLENDORA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
03/97	Paratransit Bus	\$ 51,304	\$ -	\$ -	\$ 51,304
06/97	Ericson Bus Radios	6,676	-	-	6,676
07/97	Radio Base	1,283	-	-	1,283
11/98	3/4 Ton Van	24,262	-	-	24,262
Various	Various Furnitures	4,215	-	-	4,215
01/99	High Pressure System	10,579	-	-	10,579
12/99	Paratransit Minibus	37,087	-	-	37,087
03/11	ADA Accessible Mini Van	45,219	-	-	45,219
02/12	11 Braun Entervan White	41,216	-	-	41,216
06/12	Route Match Software	29,447	-	-	29,447
12/12	Handicap Minivan	44,556	-	-	44,556
03/14	Braun Entervan	45,257	-	-	45,257
07/14	2014 Starcraft Ford All Star VN	21,470	-	-	21,470
Total		\$ 362,571	\$ -	\$ -	\$ 362,571

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

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

	2020	2019
ASSETS		
Cash and investments	\$ 462,845	\$ 427,085
Interest receivable	1,617	1,842
Total assets	\$ 464,462	\$ 428,927
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 13,097	\$ -
Accrued payroll liabilities	17,550	18,142
Total liabilities	30,647	18,142
 Fund Balance		
Restricted	433,815	410,785
Total fund balance	433,815	410,785
Total liabilities and fund balance	\$ 464,462	\$ 428,927

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

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

	<u>2020</u>	<u>2019</u>
REVENUES		
Measure R	\$ 632,802	\$ 657,232
Interest income	7,925	10,708
Unrealized gain on investments	8,105	12,792
Total revenues	<u>648,832</u>	<u>680,732</u>
 EXPENDITURES		
Various projects	<u>644,371</u>	<u>862,086</u>
Total expenditures	<u>644,371</u>	<u>862,086</u>
 OTHER FINANCING SOURCES (USE)		
Transfer-in from General Fund (Note 10)	6,145	-
Transfer-in from Pension Obligation Bond Fund (Note 11)	882,904	-
Transfer-out to Pension Obligation Bond Fund (Note 11)	<u>(870,480)</u>	<u>-</u>
Total other financing sources (use)	<u>18,569</u>	<u>-</u>
 Excess (deficiency) of revenues over expenditures and other financing sources (use)	23,030	(181,354)
 Fund balance at beginning of year	<u>410,785</u>	<u>592,139</u>
 Fund balance at end of year	<u>\$ 433,815</u>	<u>\$ 410,785</u>

The accompanying notes are an integral part of the financial statements

CITY OF GLENDORA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020			2019 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	Street Repair and Maintenance I	\$ 601,530	\$ 535,857	\$ 65,673	\$ 508,937
1.05	Lone Hill Avenue Improvements	-	-	-	208,924
1.20	Traffic Signal Study	100,000	-	100,000	-
1.20	Lone Hill Phase II - Remainder of Project	50,000	-	50,000	-
1.20	Traffic Signal Enhancements	-	-	-	705
1.20	Traffic Signal Enhancements	112,000	108,514	3,486	143,520
	Total expenditures	\$ 863,530	\$ 644,371	\$ 219,159	\$ 862,086

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

CITY OF GLENDORA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

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

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and investments	\$ 1,191,362	\$ 876,507
Interest receivable	<u>4,405</u>	<u>4,155</u>
Total assets	<u>\$ 1,195,767</u>	<u>\$ 880,662</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 43,075	\$ 168,444
Retention payable	-	16,464
Accrued payroll liabilities	<u>1,035</u>	<u>985</u>
Total liabilities	<u>44,110</u>	<u>185,893</u>
 Fund Balance		
Restricted	<u>1,151,657</u>	<u>694,769</u>
Total fund balance	<u>1,151,657</u>	<u>694,769</u>
Total liabilities and fund balance	<u>\$ 1,195,767</u>	<u>\$ 880,662</u>

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

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

	2020	2019
REVENUES		
Measure M	\$ 712,711	\$ 739,821
Interest income	20,814	19,012
Unrealized gain on investments	22,958	11,115
Total revenues	756,483	769,948
EXPENDITURES		
Various projects	300,172	563,777
Total expenditures	300,172	563,777
OTHER FINANCING SOURCE (USE)		
Transfer-in from Pension Obligation Bond Fund (Note 11)	41,789	-
Transfer-out to Pension Obligation Bond Fund (Note 11)	(41,212)	-
Total other financing source (use)	577	-
Excess of revenues over expenditures and other financing source (use)	456,888	206,171
Fund balance at beginning of year	694,769	488,598
Fund balance at end of year	\$ 1,151,657	\$ 694,769

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

CITY OF GLENDORA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2020
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2019)

Project Code	Project Name	2020			2019 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	Bike Lane Rehabilitation and Others	\$ 418,000	\$ 9,460	\$ 408,540	\$ -
1.05	Lone Hill Avenue Street Rehabilitation	-	-	-	35,186
1.05	Slurry Seal	30,960	8,788	22,172	167,040
1.05	Leadora Resurfacing - Design	154,451	36,843	117,608	15,549
1.05	Leadora Resurfacing - Construction 255	50,997	400	50,597	329,356
1.05	Loraine Avenue Street Rehabilitation	250,000	180,541	69,459	-
1.05	Citywide Pavement Evaluation Update	50,000	-	50,000	-
1.05	Lone Hill Ave. Improvements	8,955	2,520	6,435	-
8.10	Administration Cost Not to Exceed 20%	28,357	26,150	2,207	16,646
9.90	Pedestrian Crossing Enhancement by Elementary Schools	300,000	-	300,000	-
10.90	Transportation Impact Evaluation - SB743	44,950	35,470	9,480	-
	Total expenditures	\$ 1,336,670	\$ 300,172	\$ 1,036,498	\$ 563,777

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

CITY OF GLENDORA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2020

Date Acquired	Description	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

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

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

	<u>2020</u>	<u>2019</u>
ASSETS		
Due from Metro	\$ <u>22,815</u>	\$ <u>-</u>
Total assets	\$ <u><u>22,815</u></u>	\$ <u><u>-</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ <u>3,993</u>	\$ <u>-</u>
Total liabilities	<u>3,993</u>	<u>-</u>
 Fund Balance		
Restricted	<u>18,822</u> *	<u>-</u>
Total fund balance	<u>18,822</u>	<u>-</u>
Total liabilities and fund balance	\$ <u><u>22,815</u></u>	\$ <u><u>-</u></u>

* Since the unspent fund balance of \$18,822 is a receivable from Metro as of June 30, 2020, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

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

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

	<u>2020</u>	<u>2019</u>
REVENUES		
TDA 3	\$ 22,815	\$ -
Total revenues	<u>22,815</u>	<u>-</u>
 EXPENDITURES		
First/Last Mile Demonstration Bike Lane on Glendora Avenue	<u>3,993</u>	<u>-</u>
Total expenditures	<u>3,993</u>	<u>-</u>
 Excess of revenues over expenditures	18,822	-
 Fund balance at beginning of year	<u>-</u>	<u>-</u>
 Fund balance at end of year *	\$ <u><u>18,822</u></u>	\$ <u><u>-</u></u>

* Since the unspent fund balance of \$18,822 is a receivable from Metro as of June 30, 2020, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

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

CITY OF GLENDORA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SUPPLEMENTARY INFORMATION

SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
ALLOCATION FOR SPECIFIC PROJECTS
For the Fiscal Year Ended June 30, 2020

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local allocations					
First/Last Mile Demonstration Bike Lane on Glendora Avenue	2019-20	\$ <u>22,815</u>	\$ <u>3,993</u>	\$ <u>18,822</u>	Ongoing
Total		\$ <u><u>22,815</u></u>	\$ <u><u>3,993</u></u>	18,822	
Fund balance at beginning of year				<u>-</u>	
Fund balance at end of year				<u>\$ 18,822</u> *	

* Since the unspent fund balance of \$18,822 is a receivable from Metro as of June 30, 2020, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

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

CITY OF GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019

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 the 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. The statement of revenues, expenditures and changes in fund balance for Special Revenue Funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Budgets and Budgetary Accounting

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

CITY OF GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

In accordance with Government 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 2020 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, 2020:

- 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, 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 GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(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. 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 balances to the total of the pooled cash and investments.

CITY OF GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 8 – PROPOSITION A DISCRETIONARY INCENTIVE GRANTS - PALRF

The City entered into a Memorandum of Understanding (MOU) agreement with the Los Angeles County Metropolitan Transportation Authority (LACMTA) to receive Proposition A Discretionary Incentive Grants for participating in the Consolidated National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2019 consisted of the following:

Agreement Date	Period	NTD Voluntary Reporting	MOU Amount	Amount Received	
				2020	2019
July 31, 2018	7/1/18 – 6/30/22	FY 2015-16	\$ 66,374	\$ -	\$ 66,374
			Total	\$ -	\$ 66,374

The Proposition A Discretionary Incentive Grants were recorded under PALRF.

NOTE 9 – PROJECT GENERATED REVENUE - PALRF

Project generated revenue for the years ended June 30, 2020 and 2019 consisted of the following:

	2020	2019
Transit Fares	\$ 31,238	\$ 42,827
Bus Pass Subsidy	7,972	11,807
Total	\$ 39,210	\$ 54,634

NOTE 10 – TRANSFER-IN FROM GENERAL FUND – PALRF AND MRLRF

The amount of \$4,679 and \$6,145 represents reimbursements from the General Fund to PALRF and MRLRF, respectively, that were related to the fiscal year ended June 30, 2019 Finding No. 2019-002 for the unreconciled variances on the payroll charges.

CITY OF GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 11 – TRANSFER-IN (OUT) FROM (TO) PENSION OBLIGATION BOND FUND - PALRF, MRLRF AND MMLRF

The City authorized the issuance of pension obligation bonds, “Taxable Pension Obligation Bonds, Series 2019” (2019 Bonds) on March 12, 2019 to manage the increasing unfunded accrued liability (UAL) of the pension plan that was provided through the California Public Employees’ Retirement System (CalPERS). The purchase agreement for the 2019 Bonds was executed on August 22, 2019. The bond proceeds of \$64,420,000 were used to fund the UAL, the normal annual contributions, and the issuance costs.

In fiscal year ended June 30, 2020, the transfer-in and out to the Pension Obligation Bond Fund consisted of the following:

	<u>Transfer-In</u>	<u>Transfer-Out</u>
Proposition A Local Return Fund	\$ 563,654	\$ 563,654
Measure R Local Return Fund	882,904	870,480
Measure M Local Return Fund	41,789	41,212
Total	<u>\$ 1,488,347</u>	<u>\$ 1,475,346</u>

NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the years ended June 30, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
FY 2014-15 allocation *	\$ 2,815	\$ -
FY 2018-19 allocation	20,000	-
Total payment requested	<u>\$ 22,815</u>	<u>\$ -</u>

* Metro granted the City an extension to spend the fiscal year 2014-15 allocation in fiscal year 2019-20.

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, 2020 and 2019, the City has funds on reserve as follows:

	<u>2020</u>	<u>2019</u>
FY 2018-19 allocation	\$ 15,668	\$ 35,668
FY 2019-20 allocation	37,916	-
Available reserve balance	<u>\$ 53,584</u>	<u>\$ 35,668</u>

CITY OF GLENDORA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2020 and 2019
(Continued)

NOTE 14 – SUBSEQUENT EVENTS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries. To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities.

The City has evaluated subsequent events through December 16, 2020, the date the financial statements were available to be issued and concluded no other events have occurred that require disclosure or adjustments to the 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 Glendora, 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 Glendora, California (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2020.

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 16, 2020

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 Glendora, California and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

We have audited the compliance of the City of Glendora, 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, 2020.

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, 2020.





Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and which are described in the accompanying Schedule of Findings and Recommendations as Finding Nos. 2020-001 and 2020-002. Our opinion on each local return program and Transportation Development Act Article 3 program is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 16, 2020

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2020

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 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	See Finding No. 2020-001 on the Schedule of Findings and Recommendations.
11.	Pavement Management System (PMS) is 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	
14.	Signed Assurances and Understandings form was on file.	X			None	
15.	Recreational transit form was submitted on time.		X		None	See Finding No. 2020-002 on the Schedule of Findings and Recommendations.

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2020
(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 form 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.	Accounting procedures, record keeping and documentation are adequate.		X		None	See Finding No. 2020-001 on the Schedule of Findings and Recommendations.
11.	Administrative expenditures are within the 20% cap.			X	None	
12.	Fund exchanges were approved by Metro.			X	None	
13.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
14.	Recreational transit form was submitted on time.			X	None	

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2020
(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	See Finding No. 2020-001 on the Schedule of Findings and Recommendations.
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 form 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	
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	

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2020
(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			None	
2.	Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X			None	

CITY OF GLENDORA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 June 30, 2020

PALRF, MRLRF, and MMLRF: Finding No. 2020-001

Compliance Reference	<p>According to Proposition A and Proposition C Local Return Guidelines, Section II: Project Eligibility, “A proposed expenditure of funds shall be deemed to be for public transit purposes to the extent that it can reasonably be expected to sustain or improve the quality and safety of and/or access to public transit services by the general public or those requiring special public transit assistance,” and Section V: Audit Section, “It is the jurisdictions’ responsibility to maintain proper accounting records and documentation...”</p> <p>The Measure R Local Return Guidelines, Section A.I: Program Summary, states, “The Measure R Ordinance specifies that Local Return funds are to be used for transportation purposes. No net revenue distributed to Jurisdictions may be used for purposes other than transportation purposes.” and Section B.VII: Audit Section, “It is the Jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of audit prescribed in these guidelines.”</p> <p>Likewise, the Measure M Local Return Guidelines, Section XXV: Program Objective, states, “The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes.” and Audit Requirements, “It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation...”</p>
Condition	<p>During our payroll testing, the City provided both the timesheets and the Special Funding Time Certification (Certification), a supplemental form for the timesheet that is signed by both the employee and the employee’s supervisor. The Certification is prepared annually and provides the hours worked by the employee on PALRF, MRLRF, and MMLRF projects for all pay periods during the fiscal year 2019-20.</p> <p>The pay periods tested were as follows:</p> <ul style="list-style-type: none"> a) March 22, 2020 b) April 19, 2020 c) May 17, 2020 d) June 14, 2020 <p>We noted that the Certifications sampled were signed and dated by the employees and supervisors after the year-end, October, November, and December 2020, which were four to seven months after the fact.</p>
Cause	<p>The City was not aware that the Certification needs to be prepared and reviewed near the end of the period covered. As a result, the Certifications were untimely signed by both employees and supervisors.</p>

CITY OF GLENDORA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 June 30, 2020
 (Continued)

PALRF, MRLRF, and MMLRF: Finding No. 2020-001 (Continued)

Effect	Without employees and supervisors signing the timecards/certifications, the City may be unable to substantiate the actual hours worked by the employees that were charged to the programs. Inadequate support for salaries could result in disallowed costs.
Recommendation	We recommend the City strengthen controls over payroll so that all employees and supervisors prepare, review, sign, and date the Certifications at minimum, on a monthly basis, to ensure the accuracy of hours worked on the local return funds' projects.
Management's Response	The City will re-evaluate the preparation process of the Certifications to ensure that the forms are signed and dated by the employees and supervisors within a reasonable period of time.

CITY OF GLENDORA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
 June 30, 2020
 (Continued)

PALRF: Finding No. 2020-002

Compliance Reference	According to Proposition A and Proposition C Local Return Guidelines, Section II.A.1.3, Recreational Transit Service, “Jurisdictions shall submit a Listing of Recreational Transit Services no later than October 15 after the fiscal year.”
Condition	The City did not meet the October 15, 2020 deadline for submission of the Listing of Recreational Transit Services. However, the City submitted the listing on October 19, 2020.
Cause	Due to the change in the reporting database with the other Metro forms, the late submission of the form was due to an oversight.
Effect	The City’s Listing of Recreational Transit Services was not submitted timely as required by the Guidelines.
Recommendation	We recommend that the City establish procedures to ensure that the Recreational Transit Services Listing is properly prepared and submitted before the due date of October 15 th so that the City’s expenditures of the Proposition A Local Return Fund will be in accordance with LACMTA’s approval and the Guidelines. Furthermore, we recommend that the City retain a confirmation of receipt from LACMTA to indicate the form was submitted in a timely manner.
Management’s Response	The City will re-evaluate the process to ensure that the form will be submitted timely in the future.
Finding Corrected During the Audit	The City submitted the form to LACMTA on October 19, 2020. No follow-up is required.

EXIT CONFERENCE

CITY OF GLENDORA
PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND,
MEASURE R LOCAL RETURN FUNDS, MEASURE M LOCAL RETURN FUND, AND
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
EXIT CONFERENCE
June 30, 2020

An exit conference was held on December 22, 2020 with the City of Glendora. Those in attendance were:

Simpson & Simpson Representative:

Patrick Zhang, Auditor

City's Representative:

Brittany Aguilar, Accounting Manager

Matters Discussed:

Results of the audit disclosed no significant control deficiencies and two (2) non-compliance issues 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:

Brittany Aguilar, Accounting Manager

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

RE: CITY OF GLENDORA 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, 2020 AND 2019

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, 2020 and 2019 for the City of Glendora and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date