

***CITY OF PASADENA
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, 2021 AND 2020***



Metro[®]



Simpson & Simpson, LLP
Certified Public Accountants

CITY OF PASADENA
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
Statement of Revenues, Expenditures and Changes in Fund Balance	16
Supplementary Information:	
Schedule of Expenditures – Actual and Metro Approved Project Budget	17
Schedule of Capital Assets	18
Transportation Development Act Article 3 Fund:	
Financial Statements:	
Balance Sheets	19
Statements of Revenues, Expenditures and Changes in Fund Balance	20
Supplementary Information:	
Schedule of Transportation Development Act Allocation for Specific Projects	21
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>	29

CITY OF PASADENA
TABLE OF CONTENTS
(Continued)

COMPLIANCE SECTION

Independent Auditor's Report on Compliance	31
Compliance Matrix	33
Schedule of Findings and Recommendations	40

EXIT CONFERENCE	41
------------------------	----

FINANCIAL SECTION



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

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

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of Pasadena, 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 Pasadena, California (the City) as of and for the years ended June 30, 2021 and 2020, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Pasadena, California, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the 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 Paramount, California, as of June 30, 2021 and 2020, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on each of the Funds' financial statements. 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 3, 2021, on our consideration of the City's internal control over the Funds' financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over the Funds' financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over the Funds' financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over the Funds' financial reporting and compliance.

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

Los Angeles, California
December 3, 2021

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

	2021	2020
ASSETS		
Cash and investments	\$ 8,788,705	\$ 7,428,210
Accounts receivable	446,608	325,106
Interest receivable	5,987	23,429
Total assets	\$ 9,241,300	\$ 7,776,745
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 262,519	\$ 252,600
Accrued salaries	85	11,217
Total liabilities	262,604	263,817
 Deferred Inflows of Resources		
Unavailable revenues	39,906	-
Total deferred inflows of resources	39,906	-
 Fund Balance		
Restricted	8,938,790	7,512,928
Total fund balance	8,938,790	7,512,928
Total liabilities, deferred inflows of resources and fund balance	\$ 9,241,300	\$ 7,776,745

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

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

	2021	2020
REVENUES		
Proposition A	\$ 2,943,814	\$ 2,784,418
Investment income	29,029	189,034
Proposition A Discretionary Incentive Grant (Note 9)	704,364	451,809
Federal Transit Administration (FTA) Grant (Note 13)	35,063	145,098
Project generated revenues (Note 8)	150,826	243,810
Proposition A fund exchange (Note 14)	147,700	-
Total revenues	4,010,796	3,814,169
EXPENDITURES		
Various projects	2,584,934	3,535,281
Total expenditures	2,584,934	3,535,281
Excess of revenues over expenditures	1,425,862	278,888
Fund balance at beginning of year	7,512,928	7,234,040
Fund balance at end of year	\$ 8,938,790	\$ 7,512,928

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

CITY OF PASADENA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021		Variance	2020 Actual
		Metro Budget	Actual	Favorable (Unfavorable)	
107	Dial-A-Ride	\$ 2,000,000	\$ 1,907,468	\$ 92,532	\$ 2,071,369
107	Senior Transit Project	3,500	-	3,500	-
135	Homeless Transit Subsidy	7,950	-	7,950	-
135	Senior/Disabled Bus Pass Buydown	25,000	3,440	21,560	34,011
135	Youth Summer Program Transit	2,000	-	2,000	-
155	Recreation Transit	43,000	-	43,000	36,536
180	Transit Services - Proposition A	128,886	156,025	(27,139)	150,862
205	Bus Shelters & Benches	50,000	16,281	33,719	11,493
210	Pasadena Area Rapid Transit System				
	(Arts) Bus Purchase	3,077,293	-	3,077,293	737,132
210	Dial A Ride Vehicle Purchase	76,000	-	76,000	-
250	Metro Gold Line Enhancements	3,900,000	-	3,900,000	-
277	Arts Bus Purchase	243,224	27,054	216,170	-
281	Gold Line Light Rail Station Enhancement #75021	1,850,000	-	1,850,000	-
380	Transportation Demand Management	166,354	152,831	13,523	182,813
470	Transportation Planning Organizations	35,000	30,924	4,076	21,912
610	Proposition A Administration	292,939	290,911	2,028	289,153
	Total expenditures	\$ 11,901,146	\$ 2,584,934	\$ 9,316,212	\$ 3,535,281

See accompanying independent auditor's report.

CITY OF PASADENA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
6/18/1991	Bookcase	\$ 478	\$ -	\$ -	\$ 478
3/17/1993	Communications Radio	500	-	-	500
5/17/1993	Desk	728	-	-	728
6/2/1997	Dell Optiplex GMXT 5166 Computers	9,474	-	-	9,474
5/25/1999	HP DesignJet 36" Wide Plotter	3,367	-	-	3,367
7/28/2000	Dell Dimension 4100 Computer	1,342	-	-	1,342
4/16/2001	Sony VPL-CX10 Projector	1,046	-	-	1,046
6/29/2009	2009 Starcraft Allstar	57,570	-	-	57,570
6/29/2009	2009 Starcraft Allstar	57,570	-	-	57,570
5/16/2012	2012 Starcraft Allstar 25	118,869	-	-	118,869
5/16/2012	2012 Starcraft Allstar 25	118,869	-	-	118,869
5/16/2012	2012 Starcraft Allstar 25	118,869	-	-	118,869
5/16/2012	2012 Starcraft Allstar 25	118,869	-	-	118,869
9/1/2012	2012 El Dorado E-Z Rider II Max	3,959,015	-	-	3,959,015
2/12/2014	2013 El Dorado E-Z Rider II Max	101,144	-	-	101,144
2/12/2014	2013 El Dorado E-Z Rider II Max	101,144	-	-	101,144
2/12/2014	2013 El Dorado E-Z Rider II Max	101,143	-	-	101,143
2/12/2014	2013 El Dorado E-Z Rider II Max	101,143	-	-	101,143
2/12/2014	2013 El Dorado E-Z Rider II Max	101,143	-	-	101,143
2/12/2014	2013 El Dorado E-Z Rider II Max	101,143	-	-	101,143
2/12/2014	2013 El Dorado E-Z Rider II Max	101,143	-	-	101,143
10/18/2019	2019 Starcraft Allstar	2,386	-	-	2,386
10/18/2019	2019 Starcraft Allstar	2,386	-	-	2,386
10/18/2019	2019 Starcraft Allstar	2,386	-	-	2,386
10/18/2019	2019 Starcraft Allstar	2,385	-	-	2,385
Total		\$ 5,284,112	\$ -	\$ -	\$ 5,284,112

See accompanying independent auditor's report.

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

	2020	2019
ASSETS		
Cash and investments	\$ 13,333,139	\$ 12,115,543
Due from Metro	1,711,573	994,609
Interest receivable	14,251	44,116
Total assets	\$ 15,058,963	\$ 13,154,268
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 936,317	\$ 511,205
Accrued salaries	699	7,657
Total liabilities	937,016	518,862
 Deferred Inflows of Resources		
Unavailable revenues	384,580	102,315
Total deferred inflows of resources	384,580	102,315
 Fund Balance		
Restricted - transportation and transit related projects	13,150,705	12,146,476
Assigned - transit operations and fund exchange activities (Note 11)	586,662	386,615
Total fund balance	13,737,367	12,533,091
Total liabilities, deferred inflows of resources and fund balance	\$ 15,058,963	\$ 13,154,268

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

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

	2021	2020
REVENUES		
Proposition C	\$ 2,441,788	\$ 2,309,681
Investment income	47,337	294,011
Proposition A Discretionary Incentive Grant (Note 9)	542,145	-
Proposition A Growth Over Inflation Grant (Note 10)	606,631	348,922
Federal Transit Administration (FTA) Grant (Note 13)	212,859	697,628
Project generated revenues (Note 8)	444,211	895,713
Miscellaneous revenues (Note 12)	172,843	195
Total revenues	4,467,814	4,546,150
EXPENDITURES		
Various projects	7,142,148	6,488,569
Total expenditures	7,142,148	6,488,569
Deficiency of revenues over expenditures	(2,674,334)	(1,942,419)
OTHER FINANCING SOURCES		
Transfers in from General Fund	378,994	378,994
Transfers in from MRLRF	1,640,445	1,852,097
Transfers in from MMLRF	1,859,171	2,099,044
Total other financing sources	3,878,610	4,330,135
Excess of revenues over expenditures and other financing sources	1,204,276	2,387,716
Fund balance at beginning of year	12,533,091	10,145,375
Fund balance at end of year	\$ 13,737,367	\$ 12,533,091

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

CITY OF PASADENA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
105	Pasadena Transit Fixed Route Service	\$ 3,000,000 a)	\$ 4,421,495	\$ (1,421,495)	\$ -
106	Community Circulator	2,000,000	2,000,000	-	5,863,302
135	College Pass Subsidy Program	25,000	-	25,000	-
155	Recreation Transit	15,000	-	15,000	-
210	Arts Bus Purchase	500,000	-	500,000	-
230	Fixed Route & Demand Response Vehicles and Misc. Equipment	1,824,027	112,331	1,711,696	202,631
250	Metro Gold Line Enhancements	666,347	-	666,347	-
281	Gold Line Light Rail Station Enhancement #75021	166,500	-	166,500	-
470	Transportation Planning Organizations	15,000	15,000	-	-
620	Prop C Administration	424,046	414,375	9,671	422,074
N/A	Internal Administrative Expenses for Transit Operations - Other Funding Sources*	-	178,947	(178,947)	562
	Total expenditures	\$ 8,635,920	\$ 7,142,148	\$ 1,493,772	\$ 6,488,569

* The City used other funding sources (miscellaneous revenue and General Fund) to fund additional internal administrative expenses for transit operations.

The actual variance after considering other funding sources is calculated as follows:

a) Metro Budget		\$ 3,000,000
Total expenditures	\$ 4,421,495	
Less: Project generated revenues (Note 8)	(444,211)	
Less: Proposition A Growth Over Inflation Grant (Note 10)	(606,631)	
Less: FTA Grant (Note 13)	(212,859)	
Less: Transfers in from MRLRF	(1,640,445)	
Less: Transfer in from MMLRF	(1,859,171)	
PCLRF expenditures		(341,822)
Actual variance positive		\$ 3,341,822

See accompanying independent auditor's report.

CITY OF PASADENA
PROPOSITION C LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
6/7/2011	Computer Software Adobe Illustrator	\$ 599	\$ -	\$ -	\$ 599
6/1/2011	Computer/Monitor	1,218	-	-	1,218
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
9/1/2012	2012 El Dorado E-Z Rider II Max	42,654	-	-	42,654
4/13/2017	2016 Paratransit Minivan	4,639	-	-	4,639
4/13/2017	2016 Paratransit Minivan	4,638	-	-	4,638
6/30/2017	2017 El Dorado EZ Rider II/BRT	171,671	-	-	171,671
6/30/2017	2017 El Dorado EZ Rider II/BRT	171,671	-	-	171,671
6/30/2017	2017 El Dorado EZ Rider II/BRT	171,671	-	-	171,671
6/30/2017	2017 El Dorado EZ Rider II/BRT	171,670	-	-	171,670
6/29/2018	New Flyer / Excelsior - SX35	183,292	-	-	183,292
6/29/2018	New Flyer / Excelsior - SX35	183,292	-	-	183,292
6/29/2018	New Flyer / Excelsior - SX35	183,292	-	-	183,292
6/29/2018	New Flyer / Excelsior - SX35	183,292	-	-	183,292
7/14/2018	Ford Starcraft All-Star	11,056	-	-	11,056
7/14/2018	Ford Starcraft All-Star	11,056	-	-	11,056
7/14/2018	Ford Starcraft All-Star	11,055	-	-	11,055
7/14/2018	Ford Starcraft All-Star	11,055	-	-	11,055
7/14/2018	Ford Starcraft All-Star	11,055	-	-	11,055
7/14/2018	Ford Starcraft All-Star	11,055	-	-	11,055
7/14/2018	Ford Starcraft All-Star	11,055	-	-	11,055
10/18/2019	2019 Starcraft Allstar	6,665	-	-	6,665
10/18/2019	2019 Starcraft Allstar	6,665	-	-	6,665
10/18/2019	2019 Starcraft Allstar	6,664	-	-	6,664
10/18/2019	2019 Starcraft Allstar	6,664	-	-	6,664
5/8/2020	New Flyer Xcelsior XN35	87,986	-	-	87,986
5/8/2020	New Flyer Xcelsior XN35	87,987	-	-	87,987
Total		\$ 2,137,503	\$ -	\$ -	\$ 2,137,503

See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Cash and investments	\$ 565,731	\$ 370,094
Interest receivable	4,856	5,657
Total assets	\$ 570,587	\$ 375,751
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	570,587	375,751
Total fund balance	570,587	375,751
Total liabilities and fund balance	\$ 570,587	\$ 375,751

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

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

	2021	2020
REVENUES		
Measure R	\$ 1,833,879	\$ 1,729,783
Investment income	1,402	14,088
Total revenues	1,835,281	1,743,871
 EXPENDITURES		
Various projects	-	91,599
Total expenditures	-	91,599
 Excess of revenues over expenditures	1,835,281	1,652,272
 OTHER FINANCING USES		
Transfer out to PCLRF	(1,640,445)	(1,852,097)
Total other financing uses	(1,640,445)	(1,852,097)
 Excess (deficiency) of revenues over expenditures and other financing uses	194,836	(199,825)
 Fund balance at beginning of year	375,751	575,576
 Fund balance at end of year	\$ 570,587	\$ 375,751

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

CITY OF PASADENA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
730	Citywide Program	\$ 100,000	\$ -	\$ 100,000	\$ -
820	Pedestrian Safety Enhancements at Signalized Intersections	316,000	-	316,000	91,599
	Total expenditures	<u>416,000</u>	<u>-</u>	<u>416,000</u>	<u>91,599</u>
Transfer Out To PCLRF					
190	Support existing levels of transit operations	<u>1,640,445</u>	<u>1,640,445</u>	<u>-</u>	<u>1,852,097</u>
	Total expenditures and transfer out to PCLRF	<u>\$ 2,056,445</u>	<u>\$ 1,640,445</u>	<u>\$ 416,000</u>	<u>\$ 1,943,696</u>

See accompanying independent auditor's report.

CITY OF PASADENA
MEASURE R LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Cash and investments	\$ 232,816	\$ 60,970
Total assets	\$ 232,816	\$ 60,970
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 Fund Balance		
Restricted	232,816	60,970
Total fund balance	232,816	60,970
Total liabilities and fund balance	\$ 232,816	\$ 60,970

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

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Measure M	\$ 2,077,852	\$ 1,950,429
Investment income (loss)	<u>(15,989)</u>	<u>21,676</u>
Total revenues	<u>2,061,863</u>	<u>1,972,105</u>
 EXPENDITURES		
Various projects	<u>30,846</u>	<u>208,779</u>
Total expenditures	<u>30,846</u>	<u>208,779</u>
 Excess of revenues over expenditures	 2,031,017	 1,763,326
 OTHER FINANCING USES		
Transfer out to PCLRF	<u>(1,859,171)</u>	<u>(2,099,044)</u>
Total other financing uses	<u>(1,859,171)</u>	<u>(2,099,044)</u>
 Excess (deficiency) of revenues over expenditures and other financing uses	 171,846	 (335,718)
 Fund balance at beginning of year	 <u>60,970</u>	 <u>396,688</u>
 Fund balance at end of year	 <u>\$ 232,816</u>	 <u>\$ 60,970</u>

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

CITY OF PASADENA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2020)

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
301	Traffic Signal at Fair Oaks and Bellevue	\$ 13,364	\$ 10,518	\$ 2,846	\$ 16,490
301	Traffic Signal at Orange Grove and Sunnyslope	50,071	-	50,071	-
301	Traffic Signal at Orange Grove and Craig	49,845	16,867	32,978	-
301	Traffic Signal at Arroyo Parkway and Green	3,461	3,461	-	46,539
2.01	Traffic Signal at Garfield and Washington	-	-	-	100,750
2.01	Rose Bowl Access System	-	-	-	45,000
	Total expenditures	<u>116,741</u>	<u>30,846</u>	<u>85,895</u>	<u>208,779</u>
Transfer Out to PCLRF					
190	Support Existing Levels of Transit Operations	<u>1,859,171</u>	<u>1,859,171</u>	<u>-</u>	<u>2,099,044</u>
	Total expenditures and transfer out to PCLRF	<u>\$ 1,975,912</u>	<u>\$ 1,890,017</u>	<u>\$ 85,895</u>	<u>\$ 2,307,823</u>

See accompanying independent auditor's report.

CITY OF PASADENA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
 June 30, 2021

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

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

	2021	2020
ASSETS		
Due from Metro	\$ 179,789	\$ 112,338
Total assets	\$ 179,789	\$ 112,338
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to General Fund	\$ 206,782	\$ 198,598
Total liabilities	206,782	198,598
 Fund Balance		
Unassigned	(26,993)	(86,260)
Total fund balance	(26,993)	(86,260)
Total liabilities and fund balance	\$ 179,789	\$ 112,338

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

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

	<u>2021</u>	<u>2020</u>
REVENUES		
TDA 3	\$ 179,789	\$ 112,338
Total revenues	<u>179,789</u>	<u>112,338</u>
 EXPENDITURES		
Bicycle program sidewalk construction	<u>120,522</u>	<u>179,155</u>
Total expenditures	<u>120,522</u>	<u>179,155</u>
 Excess (deficiency) of revenues over expenditures	59,267	(66,817)
 Fund balance at beginning of year	<u>(86,260)</u>	<u>(19,443)</u>
 Fund balance at end of year	\$ <u>(26,993)</u>	\$ <u>(86,260)</u>

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

CITY OF PASADENA
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT
ALLOCATION FOR SPECIFIC PROJECTS
For the Fiscal Year Ended June 30, 2021

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Local allocations					
Bicycle program sidewalk construction		\$ 179,789	\$ 120,522	\$ 59,267	Completed
	Total	<u>\$ 179,789</u>	<u>\$ 120,522</u>		
Fund balance at beginning of year				<u>(86,260)</u>	
Fund balance at end of year				<u>\$ (26,993)</u>	

See accompanying independent auditor's report.

CITY OF PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020

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. The statement of revenues, expenditures and changes in fund balance for Special Revenue Funds generally presents increases (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 PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement

In accordance with Governmental 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 2021 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 classifications as of June 30, 2021:

- 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).
- Assigned – Amounts that are intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council or the City Manager, to whom the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned - The unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted to those purposes.

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 PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(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 quarterly balances to the total of the pooled cash and investments.

CITY OF PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 8 – PROJECT GENERATED REVENUES

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

PALRF:	2021	2020
Senior/disabled bus passes	\$ 2,580	\$ 25,462
Trip reduction parking fees	8,702	12,187
Fare transit program	135,638	158,210
Farebox revenue	3,906	39,365
Salvage sales	-	7,617
ARTS night transportation fare	-	969
Total	\$ 150,826	\$ 243,810
PCLRF:	2021	2020
Transit shelter program	\$ 356,400	\$ 356,100
Farebox revenue	87,811	539,613
Total	\$ 444,211	\$ 895,713

NOTE 9 – PROPOSITION A DISCRETIONARY INCENTIVE GRANTS

Proposition A Discretionary Incentive Grants for the fiscal years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Sub-regional paratransit services (under Prop A)	\$ 704,364	\$ 451,809
Voluntary NTD reporting (under Prop C)	542,145	-
Total	\$ 1,246,509	\$ 451,809

The Proposition A Discretionary Incentive Grant - Sub-Regional Paratransit Services amounting to \$704,364 and \$451,809 for the fiscal years ended June 30, 2021 and 2020, respectively, represents incentive funds received from Metro for extended services provided by the Dial-A-Ride program in the Pasadena area. The revenue was recorded under PALRF.

The Proposition A Discretionary Incentive Grant - Voluntary National Transit Database (NTD) Reporting amounting to \$542,145 and \$0 for the fiscal years ended June 30, 2021 and 2020, respectively, represents additional funds received from Metro for participating in the Voluntary NTD Program. The revenue was recorded under PCLRF where the corresponding project expenditures were recorded.

CITY OF PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 10 – PROPOSITION A GROWTH OVER INFLATION GRANT

The Proposition A Growth Over Inflation Grant amounting to \$606,631 and \$348,922 for the fiscal years ended June 30, 2021 and 2020, respectively, represent additional funds received from Metro to expand and improve fixed route transit services provided in the Pasadena area. The revenue was recorded in the PCLRF where the corresponding expenditures were recorded.

NOTE 11 – ASSIGNED FUND BALANCE - PCLRF

The City has elected to track General Fund transfer separately for future transit operations and fund exchange activities. For the fiscal years ended on June 30, 2021 and 2020, the following are fund balance appropriated for future transit operations and fund exchange activities:

		PCLRF	
Assigned Fund balance at 6/30/19	\$	7,988	
Appropriation during the year		378,994	
General fund expenditures during the year		(367)	
Assigned Fund balance at 6/30/20		386,615	
Appropriation during the year		378,994	
General fund expenditures during the year		(178,947)	
Assigned Fund balance at 6/30/21	\$	586,662	

NOTE 12 – MISCELLANEOUS REVENUES

Miscellaneous revenues for the fiscal years ended June 30, 2021 and 2020 consisted of the following:

		2021		2020
PCLRF:				
Safe Routes to School Program	\$	172,843	\$	-
Bus stop closures for filming		-		195
Total	\$	172,843	\$	195

NOTE 13 – FEDERAL TRANSIT ADMINISTRATION GRANTS

The Federal Transit Administration (FTA) grant in PALRF amounting to \$35,063 and \$145,098 for the fiscal years ended June 30, 2021 and 2020, respectively, represents funds received from FTA for operating costs of Dial-A-Ride Expansion Program.

The FTA grant in PCLRF amounting to \$212,859 and \$697,628 for the fiscal years ended June 30, 2021 and 2020, respectively, represents funds received from FTA to increase local transit capacity for improved jobs access in Pasadena Sunday Service Project. The revenue was recorded under PCLRF where the corresponding project expenditures were recorded.

CITY OF PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 14 – PROPOSITION A LOCAL RETURN FUND EXCHANGE

During the fiscal year 2021, the City entered into an agreement with the City of Cudahy to exchange the City’s General Fund money amounting to \$110,775 for \$147,700 of the City of Cudahy’s Proposition A Local Return monies or \$0.75 General Fund per \$1 of Proposition A Local Return.

NOTE 15 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

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

	<u>2021</u>	<u>2020</u>
FY 2016-17 allocation	\$ -	\$ 79,832
FY 2017-18 allocation	59,323	32,506
FY 2018-19 allocation	97,153	-
FY 2019-20 allocation	23,313	-
Total payment requested	<u>\$ 178,789</u>	<u>\$ 112,338</u>

NOTE 16 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED

In accordance with Transportation Development Act Article 3 (SB 821) 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, 2021, and 2020, the City has funds on reserve as follows:

	<u>2021</u>	<u>2020</u>
FY 2017-18 allocation	\$ -	\$ 59,323
FY 2018-19 allocation	-	97,153
FY 2019-20 allocation	80,309	103,622
FY 2020-21 allocation	81,532	-
Available reserve balance	<u>\$ 161,841</u>	<u>\$ 260,098</u>

CITY OF PASADENA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2021 and 2020
(Continued)

NOTE 17 – IMPACT OF CORONAVIRUS

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the United States.

It is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. However, the City's management believes that the financial impact, if any, will not materially affect the June 30, 2021 Funds' financial statement.

NOTE 18 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through December 3, 2021, 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

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

**Independent Auditor’s Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

To the Honorable Members of the City Council of the
City of Pasadena, 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 Pasadena, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the Funds’ financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Funds’ financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Simpson & Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California
December 3, 2021

COMPLIANCE SECTION



SIMPSON & SIMPSON

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

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

Independent Auditor's Report On Compliance

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

Report on Compliance

We have audited the compliance of the City of Pasadena, 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, 2021.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance 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, 2021.



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 3, 2021

CITY OF PASADENA
COMPLIANCE MATRIX
Year Ended June 30, 2021

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 or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X			None	
2.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account.	X			None	
3.	Funds were expended with Metro’s approval and were not substituted for property tax.	X			None	
4.	Timely use of funds.	X			None	
5.	Administrative expenses are within the 20% cap.	X			None	
6.	Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.			X	None	The City used other funding sources to offset expenditures over budget.
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X			None	
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X			None	
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
10.	Local Return Account is credited for reimbursable expenditures.	X			None	
11.	Where Proposition A funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.	X			None	
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.			X	None	There was no Intelligent Transportation Systems projects or elements in FY 20/21.

CITY OF PASADENA
COMPLIANCE MATRIX
Year Ended June 30, 2021

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						
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.	X			None	
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY20/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.	X			None	
16.	Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X			None	
17.	All on-going and carryover projects were reported on Form B or electronic equivalent.	X			None	
18.	Cash or cash equivalents are maintained.	X			None	
19.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF PASADENA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(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.	Separate Measure R Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	There were no administrative expenditures in FY20/21.
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X			None	
11.	Where Measure R funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	Measure R funds were not given, loaned or exchanged in FY20/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established for Measure R Fund in FY20/21.
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

CITY OF PASADENA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure R Local Return Fund						
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit funded by Measure R in FY20/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY20/21.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF PASADENA
COMPLIANCE MATRIX
Year Ended June 30, 2021
(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	
2.	Separate Measure M Local Return Account was established.	X			None	
3.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
4.	Funds were expended with Metro's approval.	X			None	
5.	Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X			None	
6.	Timely use of funds.	X			None	
7.	Administrative expenses are within the 20% cap.			X	None	There were no administrative expenditures in FY20/21
8.	Expenditure Plan (Form M-One or electronic equivalent) was submitted on time.	X			None	
9.	Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X			None	
11.	Where Measure M funds were given, loaned or exchanged by one jurisdiction to another, the receiving jurisdiction has credited its Local Return Account with the funds received.			X	None	Measure M funds were not given, loaned or exchanged in FY20/21.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established for Measure M Fund in FY20/21.
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

CITY OF PASADENA
COMPLIANCE MATRIX
 Year Ended June 30, 2021
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
C. Measure M Local Return Fund						
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit funded by Measure M in FY20/21.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY20/21.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF PASADENA
COMPLIANCE MATRIX
 Year Ended June 30, 2021
 (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 PASADENA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2021

No findings were noted.

EXIT CONFERENCE

CITY OF PASADENA
PROPOSITION A, PROPOSITION C, MEASURE R, MEASURE M LOCAL RETURN FUNDS AND
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND
EXIT CONFERENCE
June 30, 2021

An exit conference was held on December 27, 2021 with the City of Pasadena. Those in attendance were:

Simpson & Simpson Representative:

Tian Bian, Audit Senior

City's Representative:

Henry Junus, Senior Accountant

Matters Discussed:

Results of the audit disclosed no significant control deficiencies and no 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:

Henry Junus, Senior Accountant

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

RE: CITY OF PASADENA 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, 2021 AND 2020

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, 2021 and 2020 for the City of Pasadena and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date