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, 2025 AND 2024

Simpson & Simpson, LLP
Certified Public Accountants

CITY OF GLENDORA

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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

Qualified Opinions

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Glendora, California (the City) which comprised the Funds' balance sheets as of June 30, 2025 and 2024, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the Funds' financial statements, as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinions paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund, and the Transportation Development Act Article 3 Fund of the City of Glendora, California, as of June 30, 2025 and 2024, 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.

Basis for Qualified Opinions

Matters Giving Rise to Qualified Opinions on the Funds

As of the date of our report, the City had not completed bank reconciliations for any months after June 2024. The most recent bank reconciliation available was for June 2024, which was completed by the City in February 2025. Bank reconciliations are a key internal control designed to verify the accuracy and completeness of cash balances and related transactions. In addition, the City has not finalized its year-end closing process for the Funds as of the date of our audit. As a result, certain year-end accruals, reconciliations, and closing entries had not been completed or reviewed.

Because bank reconciliations for the period of July 2024 through June 2025 were not completed and the year-end closing process was still in progress, we were unable to obtain sufficient appropriate audit evidence to determine whether cash, investments, and related activities were properly recorded in the Funds' financial statements.

Accordingly, we were unable to determine whether any adjustments might be necessary to cash, investments, revenues, expenditures, or fund balance as of and for the fiscal year ended June 30, 2025.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinions.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Glendora, California, and do not purport to, and do not, present fairly the financial position of the City, as of June 30, 2025 and 2024, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on each of the Funds' financial statements as a whole. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the Funds' 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 GAAS. 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 also issued our report dated December 26, 2025, 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.

Simpson & Simpson

Los Angeles, California
December 26, 2025

CITY OF GLENDORA

PROPOSITION A LOCAL RETURN FUND

BALANCE SHEETS

June 30

		2025		2024 as restated
ASSETS				
Cash and investments	$	2,154,603	$	2,059,343
Accounts receivable (Note 8)		127,035		131,616
Interest receivable		16,212		7,912
Total assets	$	2,297,850	$	2,198,871
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE				
Liabilities				
Accounts payable	$	61,571	$	172,823
Accrued payroll and employee benefits payable		3,026		-
Total liabilities		64,597		172,823
Deferred inflow of resources (Note 8)		-		129,916
Total deferred inflow of resources		-		129,916
Fund Balance				
Restricted		2,233,253		1,896,132
Total fund balance		2,233,253		1,896,132
Total liabilities, deferred inflow of resources, and fund balance	$	2,297,850	$	2,198,871

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

	2025	2024 as restated
REVENUES		
Proposition A	$ 1,342,347	$ 1,374,105
Proposition A Discretionary Incentive Grant (Note 9)	316,736	-
Interest income	50,658	35,585
Project generated revenues (Note 10)	14,980	16,131
Unrealized gain on investments	109,203	37,670
Other income (Note 11)	80,400	-
Total revenues	1,914,324	1,463,491
EXPENDITURES		
Various projects	1,577,203	1,790,036
Total expenditures	1,577,203	1,790,036
Excess (deficiency) of revenues over expenditures	337,121	(326,545)
Fund balance at beginning of year, as restated	1,896,132	2,222,677
Fund balance at end of year	$ 2,233,253	$ 1,896,132

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, 2025
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2024)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
105	Fixed Route Service	$ 534,446	$ 459,019	$ 75,427	$ 364,572
106	Paratransit/Senior and Disabled	612,657	530,097	82,560	419,548
135	Bus Pass Subsidy Program	10,000	11,355	(1,355)	9,217
155	Special Event Transit *	-	81,525	(81,525)	71,712
155	Special Event Coordinator	40,952	35,465	5,487	39,337
180	Transportation Planning Superintendent/Contract Program Analyst	129,563	122,954	6,609	155,621
180	Transit Study	-	-	-	140,260
210	Glendora Fleet Replacement - GreenPower Motor Company EV250s	-	-	-	251,831
210	(2) Zero Emission Vehicles	331,396	68,740	262,656	29,995
215	Transportation Yard Modernization	250,000	145,159	104,841	218,190
540	Transit Marketing	3,500	3,347	153	5,336
610	Administration Proposition A	100,000	119,542	(19,542)	84,417
	Total expenditures	$ 2,012,514	$ 1,577,203	$ 435,311	$ 1,790,036

* The City received a retroactive approval from Metro on December 15, 2025 on the budget for the Special Event Transit Project 155 in the amount of $81,525. See Compliance Matrix and Schedule of Findings and Recommendations - Finding No. 2025-002.

CITY OF GLENDORA
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2025

Date Acquired	Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
03/90	Computer	$ 1,869	$ -	$ -	$ 1,869
02/90	Copier	1,703	-	-	1,703
01/00	Lighting Control	19,809	-	-	19,809
12/00	Firewall Software	6,533	-	-	6,533
04/16	GMC Arboc Low Floor GNG Bus	53,777	-	-	53,777
08/18	2018 Ford Transit Norcal Van	65,619	-	-	65,619
10/23	GreenPower EV 250 Bus	125,916	-	-	125,916
10/23	GreenPower EV 250 Bus	125,916	-	-	125,916
05/24	2022 Chrysler Voyager	14,997	-	-	14,997
05/24	2022 Chrysler Voyager	14,997	-	-	14,997
	Total	$ 431,136	$ -	$ -	$ 431,136

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

CITY OF GLENDORA

PROPOSITION C LOCAL RETURN FUND

BALANCE SHEETS

June 30

	2025	2024 as restated
ASSETS		
Cash and investments	$ 3,866,146	$ 3,038,825
Due from Metro	-	89,527
Interest receivable	37,208	17,499
Total assets	$ 3,903,354	$ 3,145,851
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balance		
Restriced - Lone Hill Phase 1 Street Rehabilitation and People Mover Projects (Note 12)	849,159	799,855
Restricted	3,054,195	2,345,996
Total fund balance	3,903,354	3,145,851
Total liabilities and fund balance	$ 3,903,354	$ 3,145,851

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

	2025	2024 as restated
REVENUES		
Proposition C	$ 1,113,442	$ 1,139,789
Interest income	104,188	65,632
Unrealized gain on investments	251,219	4,877
Total revenues	1,468,849	1,210,298
EXPENDITURES		
Various projects	711,346	1,319,448
Total expenditures	711,346	1,319,448
Excess (deficiency) of revenues over expenditures	757,503	(109,150)
Fund balance at beginning of year, as restated	3,145,851	3,255,001
Fund balance at end of year	$ 3,903,354	$ 3,145,851

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, 2025
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2024)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
106	Paratransit	$ 78,212	$ 97,765	$ (19,553)	$ 65,991
107	Dial-A-Ride	78,212	97,765	(19,553)	66,000
180	Transportation Planning Superintendent/Contract Program Analyst	129,563	48,825	80,738	130,309
210	Glendora Fleet Replacement - GreenPower Motor Company EV250s	-	-	-	375,000
302	Traffic Signal and Control System Upgrades	612,000	406,991	205,009	282,000
620	Administration Proposition C	80,000	60,000	20,000	61,692
705	Asphalt, Concrete, Striping, and Signage Services	250,000	-	250,000	318,962
781	Lone Hill Phase 1 Street Rehabilitation	48,962	-	48,962	19,494
781	People Movement Project	307,506	-	307,506	-
	Total expenditures	$ 1,584,455	$ 711,346	$ 873,109	$ 1,319,448

CITY OF GLENDORA

PROPOSITION C LOCAL RETURN FUND

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL ASSETS

June 30, 2025

Date Acquired	Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
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
04/21	2019 Braunability Van	5,587	-	-	5,587
04/21	2019 Braunability Van	5,587	-	-	5,587
06/22	2022 Mobility Transportation Van	19,359	-	-	19,359
06/22	2022 Mobility Transportation Van	19,359	-	-	19,359
10/23	Greenpower EV250	187,500	-	-	187,500
10/23	Greenpower EV250	187,500	-	-	187,500
	Total	$ 787,463	$ -	$ -	$ 787,463

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

CITY OF GLENDORA

MEASURE R LOCAL RETURN FUND

BALANCE SHEETS

June 30

	2025	2024 as restated
ASSETS		
Cash and investments	$ 1,720,094	$ 1,194,778
Due from Metro	-	67,343
Interest receivable	13,155	5,761
Total assets	$ 1,733,249	$ 1,267,882
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 21,586	$ 337
Accrued payroll and employee benefits payable	3,541	-
Total liabilities	25,127	337
Fund Balance		
Restricted	1,708,122	1,267,545
Total fund balance	1,708,122	1,267,545
Total liabilities and fund balance	$ 1,733,249	$ 1,267,882

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

	2025	2024 as restated
REVENUES		
Measure R	$ 834,927	$ 854,574
Interest income	39,961	26,450
Unrealized gain on investments	85,728	15,797
Total revenues	960,616	896,821
EXPENDITURES		
Various projects	520,039	1,064,039
Total expenditures	520,039	1,064,039
Excess (deficiency) of revenues over expenditures	440,577	(167,218)
Fund balance at beginning of year, as restated	1,267,545	1,434,763
Fund balance at end of year	$ 1,708,122	$ 1,267,545

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, 2025
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2024)

Project Code	Project Name	2025 Metro Budget	2025 Actual	2025 Variance Favorable (Unfavorable)	2024 Actual
302	Traffic Signal Upgrade	$ 400,000	$ 272,601	$ 127,399	$ 206,118
705	Street Repair and Maintenance I	306,153	237,399	68,754	273,896
720	Traffic Signal Study	105,026	-	105,026	205,677
805	People Movement	553,918	10,039	543,879	58,856
806	Washington Elementary Crosswalk Improvements	-	-	-	319,492
	Total expenditures	$ 1,365,097	$ 520,039	$ 845,058	$ 1,064,039

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, 2025

Date Acquired	Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
	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

	2025	2024 as restated
ASSETS		
Cash and investments	$ 2,647,657	$ 2,032,720
Due from Metro	-	76,349
Interest receivable	19,053	7,707
Total assets	$ 2,666,710	$ 2,116,776
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 27,168	$ 9,476
Accrued payroll and employee benefits payable	234	-
Total liabilities	27,402	9,476
Fund Balance		
Restricted	2,639,308	2,107,300
Total fund balance	2,639,308	2,107,300
Total liabilities and fund balance	$ 2,666,710	$ 2,116,776

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

	2025	2024 as restated
REVENUES		
Measure M	$ 945,945	$ 964,996
Interest income	58,430	29,005
Unrealized gain on investments	113,785	20,119
Total revenues	1,118,160	1,014,120
EXPENDITURES		
Various projects	586,152	279,221
Total expenditures	586,152	279,221
Excess of revenues over expenditures	532,008	734,899
Fund balance at beginning of year, as restated	2,107,300	1,372,401
Fund balance at end of year	$ 2,639,308	$ 2,107,300

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, 2025

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2024)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual as restated
450	Pedestrian Enhancement at Elementary Schools	$ -	$ -	$ -	$ 17,490
640	Administration Cost not to exceed 20%	5,720	5,040	680	3,765
715	Amelia Avenue and Wildwood Ranch Road Street Rehabilitation	228,394	16,301	212,093	33,895
715	Colorado Water and Street Improvement Project	3,917,350	18,936	3,898,414	-
715	Cumberland Street *	-	3,099	(3,099)	(7)
715	Cypress Water and Street Improvement Project	710,791	9,235	701,556	-
715	Mauna Loa, East of Glendora	668,125	458,381	209,744	27,186
765	Pavement Management Plan Update	-	-	-	49,248
805	People Movement	315,744	45,170	270,574	97,078
806	Maintenance	30,532	16,974	13,558	18,572
880	Transpotation Coordinator	32,266	13,016	19,250	31,994
	Total expenditures	$ 5,908,922	$ 586,152	$ 5,322,770	$ 279,221

* The City received a retroactive approval from Metro on December 15, 2025 on the budget for the Cumberland Street Project 715 in the amount of $3,099. See Compliance Matrix and Schedule of Findings and Recommendations - Finding No. 2025-002.

CITY OF GLENDORA
MEASURE M LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2025

Date Acquired	Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
	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

	2025	2024
ASSETS		
Cash and investments	$ 173,877	$ 36,271
Due from Metro (Note 8)	-	94,299
Interest receivable	457	-
Total assets	$ 174,334	$ 130,570
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	$ 21,612	$ 290
Due to General Fund	152,815	152,815
Total liabilities	174,427	153,105
Deferred inflow of resources (Note 8)	-	94,299
Total deferred inflow of resources	-	94,299
Fund Balance		
Unassigned	(93)	(116,834)
Total fund balance	(93)	(116,834)
Total liabilities, deferred inflow of resources, and fund balance	$ 174,334	$ 130,570

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

	2025	2024
REVENUES		
TDA 3	$ 178,785	$ -
Interest income	3,464	4
Total revenues	182,249	4
EXPENDITURES		
Various projects	65,508	110,057
Total expenditures	65,508	110,057
Excess (deficiency) of revenues over expenditures	116,741	(110,053)
Fund balance at beginning of year	(116,834)	(6,781)
Fund balance at end of year	$ (93)	$ (116,834)

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, 2025

Project Description	Program Year	Allocations	Expenditures	Unexpended Allocations	Project Status
Local allocations					
Glendora, Design and Right-of-Way Support for Glendora Urban Trail Phases 2 and 3	2023-24	$ 94,299	$ 4,928	$ 89,371	Ongoing
People Movement	2024-25	84,486	60,580	23,906	Ongoing
Total		$ 178,785	$ 65,508	113,277	
Fund balance at beginning of year				(116,834)	
Interest income				3,464	
Fund balance at end of year				$ (93)	

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 fund balances.

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.

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 2025 Annual Comprehensive 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, 2025 and 2024:

- 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).

- 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 Annual Comprehensive 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.

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 (the Code), 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.

NOTE 8 – DEFERRED INFLOW OF RESOURCES – PALRF AND TDAA3F

The City recognizes revenue when the payments for services rendered become measurable and available. In the fiscal year ended June 30, 2024, the City recorded deferred inflow of resources when the availability of the funds was not determined at fiscal year end.

The issuance of Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities, established accounting and financial reporting standards that reclassify certain liabilities as deferred inflows of resources. A deferred inflow of resources is defined as those resources that are not available for spending in the current period. Since the reimbursements from Metro were not available for spending PALRF and TAA3F in the fiscal year ended June 30, 2024, the amounts were reported as deferred inflow of resources.

As of June 30, 2024, a portion of the accounts receivable and deferred inflow of resources under PALRF, in the amount of $129,916, consisted of Proposition A Discretionary Incentive funds to be received from Metro for the City's participation in collecting and reporting data for the National Transit Database Report Year 2020.

Likewise, the amounts due from Metro and deferred inflow of resources under TDAA3F, in the amount of $94,299, consisted of the following TDAA3F revenue allocation to be received from Metro for the amount claimed and requested for drawdown in the fiscal year ended June 30, 2024:

FY 2021-22 allocation	$	17,087
FY 2022-23 allocation		48,526
FY 2023-24 allocation		28,686
Total	$	94,299

NOTE 9 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT - PALRF

The City entered into various Memorandum of Understanding (MOU) agreements with Metro 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, 2025 and 2024 consisted of the following:

Agreement Date	Period	NTD Voluntary Reporting		MOU Amount		Amount Received 2025		Amount Received 2024
May 1, 2022	5/1/22 – 6/30/25	FY 2019-20	$	129,916	$	129,916	$	-
May 1, 2023	5/1/23 – 6/30/26	FY 2020-21	$	125,335		125,335		-
May 1, 2024	5/1/24 – 6/30/27	FY 2021-22	$	61,485		61,485		-
				Total	$	316,736	$	-

The Proposition A Discretionary Incentive Grants were recorded under PALRF.

NOTE 10 – PROJECT GENERATED REVENUES - PALRF

Project generated revenues for the years ended June 30, 2025 and 2024 consisted of the following:

		2025		2024
Transit Fares	$	10,722	$	12,625
Bus Pass Subsidy		4,258		3,506
Total	$	14,980	$	16,131

NOTE 11 – OTHER INCOME - PALRF

Other income for PALRF in the fiscal year ended June 30, 2025, was funds received from Southern California Edison (SCE) in the amount of $80,400. The City received a rebate from SCE for costs incurred on the installation of electric vehicles charging infrastructure for its participation in the Charge Ready Transport program.

NOTE 12 – CAPITAL RESERVE - PCLRF

In June 2023, Metro and the City entered into various capital reserve agreements to establish capital reserve accounts (Accounts) for the Lone Hill Phase 1 Street Rehabilitation and People Mover Project (collectively, the Projects).

The Accounts are funded with Proposition C Local Return Funds allocated to the City. All interest earned on the Accounts is accrued and retained for the exclusive use of the Projects. The Accounts, including interest earned, are combined with the PCLRF for financial reporting purposes.

For the years ended June 30, 2025 and 2024, the following is the capital reserve amount for PCLRF:

Capital reserve at 6/30/2023	$	797,306
Interest income during the year		22,043
Expenditure during the year		(19,494)
Capital reserve at 6/30/2024		799,855
Interest income during the year		49,304
Expenditure during the year		-
Capital reserve at 6/30/2025	$	849,159

NOTE 13 – RESTATEMENT OF PALRF, PCLRF, MRLRF, AND MMLRF 2024 FINANCIAL STATEMENTS

The 2024 financial statements of PALRF, PCLRF, MRLRF, and MMLRF were restated to report reductions in interest income and corresponding increases in unrealized gain on investments, with combined net changes totaling $8,362, $19,118, $6,110, and $8,800, respectively.

In addition, the 2024 financial statements of MMLRF were restated to report reduction in expenditures for the Cumberland Street Project Code 715 in the amount of $211,209 that were related to prior fiscal year but were not previously reported.

The financial statements for the fiscal year 2024 have been restated to reflect the following adjustments to the beginning fund balances:

PALRF	Cash	Interest Receivable	Interest Income
Balance, as previously reported	$ 2,042,077	$ 16,816	$ 44,489
Adjustment	17,266	(8,904)	(8,904)
Balance, as restated	$ 2,059,343	$ 7,912	$ 35,585

PALRF (Continued)	Unrealized Gain (Loss) on Investments	Fund Balance
Balance, as previously reported	$ 20,404	$ 1,887,770
Adjustment	17,266	8,362
Balance, as restated	$ 37,670	$ 1,896,132

PCLRF	Cash	Interest Receivable	Interest Income
Balance, as previously reported	$ 3,004,093	$ 33,113	$ 81,246
Adjustment	34,732	(15,614)	(15,614)
Balance, as restated	$ 3,038,825	$ 17,499	$ 65,632

PCLRF (Continued)	Unrealized Gain (Loss) on Investments	Fund Balance
Balance, as previously reported	$ (29,855)	$ 3,126,733
Adjustment	34,732	19,118
Balance, as restated	$ 4,877	$ 3,145,851

NOTE 13 – RESTATEMENT OF PALRF, PCLRF, MRLRF, AND MMLRF 2024 FINANCIAL STATEMENTS (Continued)

MRLRF	Cash	Interest Receivable	Interest Income
Balance, as previously reported	$ 1,182,532	$ 11,897	$ 32,586
Adjustment	12,246	(6,136)	(6,136)
Balance, as restated	$ 1,194,778	$ 5,761	$ 26,450

MRLRF (Continued)	Unrealized Gain (Loss) on Investments	Fund Balance
Balance, as previously reported	$ 3,551	$ 1,261,435
Adjustment	12,246	6,110
Balance, as restated	$ 15,797	$ 1,267,545

MMLRF	Cash	Interest Receivable	Interest Income
Balance, as previously reported	$ 1,804,641	$ 15,777	$ 37,075
Adjustment	228,079	(8,070)	(8,070)
Balance, as restated	$ 2,032,720	$ 7,707	$ 29,005

MMLRF (Continued)	Unrealized Gain (Loss) on Investments	Expenditures	Fund Balance
Balance, as previously reported	$ 3,249	$ 490,430	$ 1,887,291
Adjustment	16,870	(211,209)	220,009
Balance, as restated	$ 20,119	$ 279,221	$ 2,107,300

NOTE 14 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION

The revenue allocation for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
FY 2021-22 allocation	$ 17,087	$ -
FY 2022-23 allocation	48,526	-
FY 2023-24 allocation	60,633	-
FY 2024-25 allocation	52,539	-
Total payment requested	$ 178,785	$ -

NOTE 15 – 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, 2025 and 2024, the City has funds on reserve as follows:

	2025	2024
FY 2023-24 allocation	$ -	$ 31,947
Available reserve balance	$ -	$ 31,947

NOTE 16 – SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2025 through December 26, 2025, the date the financial statements were available to be issued for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.

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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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Glendora, California (the City), as of and for the year ended June 30, 2025, and the related notes to the Funds' financial statements, and have issued our report thereon dated December 26, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the Schedule of Finding and Recommendation on Internal Control over Financial Reporting as Finding No. FS 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Funds' 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Finding and Recommendation on Internal Control Over Financial Reporting as Finding No. FS 2025-001.

The City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit described in the accompanying Schedule of Finding and Recommendation on Internal Control over Financial Reporting. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance referred to above and the results 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.

Simpson & Simpson

Los Angeles, California
December 26, 2025

Finding No. FS 2025-001: Delay in Bank Reconciliation and Year-End Closing Processes

Compliance Reference	According to Proposition A & C Local Return Guidelines, Section V, Measure R Local Return Guidelines, Section VII, and Measure M Local Return Guidelines, Section XXV, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines..."
Condition	The bank reconciliation process was significantly delayed, and the year-end closing process had not been finalized as of the date of our audit on December 26, 2025. The most recent completed bank reconciliation was for June 2024. This is a repeat finding from the prior fiscal year.
Cause	The Finance Department experienced staff turnover in key positions, and the City transitioned to a new financial system effective January 1, 2024. These factors contributed to the delays in completing bank reconciliations and year-end closing procedures, and compensating controls were not fully implemented to ensure these activities continued to be performed on a monthly basis.
Effect	The delay in preparing the bank reconciliations and finalizing the year-end closing process increases the risk of inaccuracies in the financial records, which could lead to misstated financial statements. This also limits the ability to ensure the integrity of cash balances and related accounts and to properly support financial reporting.
Recommendation	We recommend that the Finance Department implement a more structured process for both bank reconciliations and year-end closing procedures to ensure they are completed on a timely basis. This should include assigning clear responsibilities and deadlines for staff, as well as providing adequate training on the new financial system, and monitoring progress to ensure that discrepancies are identified and resolved promptly.
Management's Response	The Finance Department has hired contract and part-time staff to assist with completing bank reconciliations and year-end closing activities, and to help train employees on the new financial system. The Department is also establishing procedures designed to ensure that these activities are completed timely going forward.

COMPLIANCE SECTION

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Independent Auditor's Report on Compliance and on Internal Control Over Compliance Required by the Guidelines

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

Opinion

We have audited the City of Glendora, California's (the City) compliance with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2025.

In our opinion, the City of Glendora, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards*); and the Guidelines. Our responsibilities under those standards and the Guidelines are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the Guidelines. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for the City's compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the City's 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 Fund.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the Guidelines as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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. 2025-001, 2025-002, and 2025-003. Our opinion on each local return and Transportation Development Act Article 3 program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Recommendations. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 with the Guidelines 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 with 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Recommendations as Finding No. 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Recommendations. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Simpson & Simpson

Los Angeles, California
December 26, 2025

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2025

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	See Finding No. 2025-002 on the Schedule of Findings and Recommendations.
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	
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	There were no expenditures incurred that require a submission of PMS form in FY 2024-25.
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	There were no funds given, loaned, or exchanged in FY 2024-25.

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2025
(Continued)

	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						
12.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X	None	There were no Intelligent Transportation Systems projects or elements in FY 2024-25.
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	
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 2024-25.
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		PALRF: $167,443 PCLRF: $48,825	See Finding Nos. 2025-001 and 2025-003 on the Schedule of Findings and Recommendations.

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2025
(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 incurred in FY 2024-25.
8.	Expenditure Plan (Form One or electronic equivalent) was submitted on time.	X			None	
9.	Annual 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	There was no reimbursement by other grants or fund sources to the expenditures incurred in FY 2024-25.
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	There were no funds given, loaned, or exchanged in FY 2024-25.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established in FY 2024-25.
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	

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 were no recreational expenses incurred in FY 2024-25.
15.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2024-25.
16.	Accounting procedures, record keeping, and documentation are adequate.		X		$212,403	See Finding Nos. 2025-001 and 2025-003 on the Schedule of Findings and Recommendations.

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2025
(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	See Finding No. 2025-002 on the Schedule of Findings and Recommendations.
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	
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	There was no reimbursement by other grants or fund sources to the expenditures incurred in FY 2024-25.
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	There were no funds given, loaned, or exchanged in FY 2024-25.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	No capital reserve fund established in FY 2024-25.

CITY OF GLENDORA
COMPLIANCE MATRIX
Year Ended June 30, 2025
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	**No**	**N/A**		
C. Measure M Local Return Fund						
13.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
14.	Recreational transit form was submitted on time.			X	None	There were no recreational expenses incurred in FY 2024-25.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY 2024-25.
16.	Accounting procedures, record keeping, and documentation are adequate.		X		$23,838	See Finding Nos. 2025-001 and 2025-003 on the Schedule of Findings and Recommendations.

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	
3.	Claim Form (or electronic equivalent) was submitted on time.	X			None	

PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F: Finding No. 2025-001

Compliance Reference	According to Proposition A & C Local Return Guidelines, Section V, Measure R Local Return Guidelines, Section VII, and Measure M Local Return Guidelines, Section XXV, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines..."
Condition	The bank reconciliation process was significantly delayed, and the year-end closing process had not been finalized as of the date of our audit on December 25, 2025. The most recent completed bank reconciliation was for June 2024. This is a repeat finding from the prior fiscal year.
Cause	The Finance Department experienced staff turnover in key positions, and the City transitioned to a new financial system effective January 1, 2024. These factors contributed to the delays in completing bank reconciliations and year-end closing procedures, and compensating controls were not fully implemented to ensure these activities continued to be performed on a monthly basis.
Effect	The delay in preparing the bank reconciliations and finalizing the year-end closing process increases the risk of inaccuracies in the financial records, which could lead to misstated financial statements. This also limits the ability to ensure the integrity of cash balances and related accounts and to properly support financial reporting.
Recommendation	We recommend that the Finance Department implement a more structured process for both bank reconciliations and year-end closing procedures to ensure they are completed on a timely basis. This should include assigning clear responsibilities and deadlines for staff, as well as providing adequate training on the new financial system, and monitoring progress to ensure that discrepancies are identified and resolved promptly.
Management's Response	The Finance Department has hired contract and part-time staff to assist with completing bank reconciliations and year-end closing activities, and to help train employees on the new financial system. The Department is also establishing procedures designed to ensure that these activities are completed timely going forward.

PALRF and MMLRF: Finding No. 2025-002

Compliance Reference	According to Proposition A and Proposition C Local Return Guidelines, Section I (C), Project Description Form (Form A): "Jurisdictions shall submit for approval a Project Description Form prior to the expenditure of funds." The Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, "New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, "The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guideline: Verification that funds were expended with Metro's approval."
Condition	The expenditures for the PALRF's Special Event Transit Project Code 155 and the MMLRF's Cumberland Street Project Code 715 in total amounts of $81,525 and $3,099, respectively, were incurred prior to Metro's approval. However, the City subsequently received approved budgets in the amounts of $81,525 and $3,099 for the PALRF and MMLRF projects, respectively, from Metro on December 15, 2025.
Cause	The expenditures were incurred due to timing and communication gaps between project budget submission, approval status tracking, and operational execution. The City initiated the project expenditures before formal confirmation of Metro's approval. Additionally, internal controls did not sufficiently prevent expenditures from being processed while the approval was still pending.
Effect	The City did not comply with the Guidelines as the expenditures for the PALRF and MMLRF projects were incurred prior to Metro's approval.
Recommendation	We recommend that the City establish procedures to ensure that it obtains approval from Metro prior to implementing any Proposition A and Measure M Local Return projects, and properly enter the budgeted amount for each project in the Local Return Management System (LRMS) and submits budget requests by the requested due date so that the City's expenditures of Proposition A and Measure M Local Return Funds are in accordance with Metro's approval and the Guidelines.

PALRF and MMLRF: Finding No. 2025-002 (Continued)

<table>
<tr><td>Management's Response</td><td>The City acknowledges the finding. Retroactive budget approval for PALRF's Special Event Transit Project Code 155 and MMLRF's Cumberland Street Project Code 715 were received from Metro on December 15, 2025 in the amounts of $81,525 and $3,099, respectively, fully covering the expenditures incurred. No unallowable costs remain outstanding. To ensure this issue does not recur, the City will implement the following measures:

Formal Budget Approval Verification
• Project expenditures will not commence until written confirmation of Metro budget approval is received and documented.
• Finance Department will maintain approval documentation within the project file.
Internal Approval Controls
• Finance Department staff will verify Metro approval status prior to setting up or activating project codes in the financial system.
• Project codes will remain restricted from posting charges until approval is confirmed.
Enhanced Communication Protocol
• A formal notification process will be established between Finance Department and program staff confirming when Metro approval has been received and the expenditures may begin.
• Program Managers will be reminded that "budget submitted" does not equate to "budget approved."
Tracking and Monitoring
• A centralized tracking log will be maintained to monitor submission dates, approval status, and authorized expenditure start dates for all of the Metro-funded projects.
• Periodic reviews will be conducted to ensure compliance prior to cost incurrence.</td></tr>
<tr><td>Finding Corrected During the Audit</td><td>Metro Program Manager granted retroactive budget approvals in the amounts of $81,525 and $3,099 for the said PALRF and MMLRF projects, respectively, on December 15, 2025. No follow-up is required.</td></tr>
</table>

PALRF, PCLRF, MRLRF, and MMLRF: Finding No. 2025-003

Compliance Reference	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..." 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." 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…" In addition, the Metro Local Return Program Manager issued a memo dated on April 29, 2014 to jurisdictions to provide recommendations that ensure jurisdictions have adequate evidence to support its compliance with the Local Return Guidelines. The recommendations state "that an electronic system is acceptable as long as how much time is identified on the project (i.e. not just a clock-in-clock-out system) and this non-timesheet system, excel file or other, is authenticated by the employee and approved by one's supervisor." Also, the memo states that: "(4) Where employees work on multiple activities or cost objectives, a distribution or their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on: : (b) A Federal award and non-Federal award.

PALRF, PCLRF, MRLRF, and MMLRF: Finding No. 2025-003 (Continued)

	(5) Personnel activity reports or equivalent documentation must meet the following standards: : (a) They must reflect an after the fact distribution of the actual activity of each employee, : (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that: (i) the governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed; (ii) at least quarterly, comparisons of actual costs to budgeted distributions based on monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and (iii) the budget estimates or other distribution percentages are revised as least quarterly, if necessary, to reflect changed circumstances."
Condition	During our payroll testing, we noted that the payroll costs allocated to the Proposition A Local Return Fund's (PALRF) Transportation Planning Project Code 180 and Administration Proposition A Project Code 610, and Proposition C Local Return Fund's (PCLRF) Transportation Planning Project Code 180 were not supported by documentation showing the actual hours worked on the related activities. Instead, the City allocated salaries based on estimated percentages of time, and a year-end true-up was not performed to adjust the charges to actual activities. In addition, the employees' timesheets did not identify the specific hours worked on the above projects for the following payroll periods tested: a) October 27, 2024 b) December 22, 2024 c) February 2, 2025 As a result, we were unable to verify that the payroll costs and employee benefits charged to the projects were based on actual time spent on eligible PALRF and PCLRF activities for total amounts of $167,443 and $48,825, respectively.

PALRF, PCLRF, MRLRF, and MMLRF: Finding No. 2025-003 (Continued)

Condition (Continued)	We noted the same condition for Measure R Local Return Fund's (MRLRF) Street Repair and Maintenance I Project Code 705, and Measure M Local Return Fund's (MMLRF) Maintenance Project Code 806 and Transportation Coordinator Project Code 880, for the following payroll periods tested: a) October 27, 2024 b) December 22, 2024 c) February 2, 2025 d) March 30, 2025 As a result, we were also unable to verify that the payroll costs and employee benefits charged to the projects were based on actual time spent on eligible MRLRF and MMLRF activities for total amounts of $212,403 and $23,838, respectively.
Cause	Fiscal year 2024-25 was the City's first full fiscal year operating under a new Time and Attendance system. During system implementation, the City relied on guidance provided by the implementation representative and configured payroll cost allocations in accordance with that guidance. At that time, it was assumed that this configuration would meet Metro's cost allocation and documentation requirements. However, it was determined that this setup did not fully capture or report actual hours worked by project or activity as required for detailed payroll and benefit cost allocation.
Effect	The payroll costs and employee benefits charged under the PALRF, PCLRF, MRLRF, and MMLRF projects may include expenditures that are not allowable under the respective program guidelines. These resulted in questioned costs of $167,443, $48,825, $212,403, and $23,838 for PALRF, PCLRF, MRLRF, and MMLRF, respectively.
Recommendation	We recommend that the City strengthen its controls over the allocation of payroll costs by using a supported allocation basis, time sheets or similar documentation to substantiate the actual hours worked by employees charged to the programs.
Management's Response	The City acknowledges the finding and has taken corrective action to ensure full compliance with Metro requirements. The City has engaged a third-party consultant with specialized expertise in Time and Attendance system configuration and Metro grant compliance. The City is currently developing and implementing detailed activity and project codes to capture actual hours worked by employee and by specific project. Updating Time and Attendance system configurations will ensure that payroll costs and employee benefits are allocated based on actual hours worked and supported by timesheet documentation. Reviewing internal payroll and reporting procedures will also help ensure consistent application and ongoing compliance. These actions will strengthen internal controls, improve payroll cost transparency, and ensure all future personnel cost charges to Metro-funded projects are fully supported and compliant with Metro requirements.

PALRF, PCLRF, MRLRF, and MMLRF: Finding No. 2025-003 (Continued)

Management's Response (Continued)	The City met with a third-party consultant specializing in Time and Attendance system configuration and job costing to evaluate options for achieving full compliance with Metro's payroll documentation requirements. During this discussion, the consultant proposed implementing job costing within the Time and Attendance system as a means to independently track employee time by project. The conversation also emphasized the need for a structured and consistent method of time tracking and project management, particularly to distinguish hours worked on local transportation projects from those charged to the General Fund. This approach will allow the City to accurately capture actual hours worked at the employee level and allocate payroll costs and related benefits directly to the appropriate funding source. Based on this guidance, the City is moving forward with: • Establishing job costing and project/activity codes within the Time and Attendance system; • Requiring employees to record time worked by project, including transportation-related projects funded by Metro; • Aligning payroll reporting with Metro's documentation and compliance requirements. These enhancements will improve accuracy, transparency, and auditability of personnel cost allocations going forward.
Finding Corrected During Audit	On December 26, 2025, Metro waived the questioned costs of \$167,443, \$48,825, \$212,403, and \$23,838 for PALRF, PCLRF, MRLRF, and MMLRF, respectively, and requested the City to implement a corrective action on this finding. The implementation of the new system will be verified during the fiscal year 2026 audit.

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, 2025

An exit conference was held on December 30, 2025 with the City of Glendora. Those in attendance were:

Simpson & Simpson Representatives:

Dulce S. Kapuno, Audit Manager
Nat Malyanont, Auditor

City's Representatives:

Natasha Woolford, Assistant Finance Director
Shirley Feng, Senior Accountant

Matters Discussed:

Results of the audit disclosed one (1) finding on internal control over financial reporting and three (3) 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:

Kyle Johnson, Finance Director
Natasha Woolford, Assistant Finance Director

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, 2025 AND 2024

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, 2025 and 2024 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