

***CITY OF ALHAMBRA  
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<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

***CITY OF ALHAMBRA***  
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***CITY OF ALHAMBRA***  
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***FINANCIAL SECTION***

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report

To the Honorable Members of the City Council of the  
City of Alhambra, 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 Alhambra, 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 Alhambra, 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 Alhambra, 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 November 19, 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 &amp; Simpson".

Los Angeles, California  
November 19, 2021

**CITY OF ALHAMBRA**  
**PROPOSITION A LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 4,196,534	\$ 4,088,271
Accounts receivable	6,300	6,300
Prepaid expense	35,000	-
Total assets	\$ 4,237,834	\$ 4,094,571
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 92,463	\$ 119,470
Total liabilities	92,463	119,470
 <b>Fund Balance</b>		
Restricted	4,145,371	3,975,101
Total fund balance	4,145,371	3,975,101
Total liabilities and fund balance	\$ 4,237,834	\$ 4,094,571

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

**CITY OF ALHAMBRA**  
**PROPOSITION A 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>
<b>REVENUES</b>		
Proposition A	\$ 1,749,061	\$ 1,678,275
Proposition A Discretionary Incentive Grant (Note 8)	216,760	142,624
Project generated revenue (Note 9)	465	36,333
Interest income	22,553	60,088
Unrealized loss on investments	(17,822)	-
Other income (Note 10)	31,500	18,900
Total revenues	<u>2,002,517</u>	<u>1,936,220</u>
<b>EXPENDITURES</b>		
Various projects	<u>1,838,336</u>	<u>666,597</u>
Total expenditures	<u>1,838,336</u>	<u>666,597</u>
<b>OTHER FINANCING SOURCE</b>		
Sale of capital assets (Note 11)	<u>6,089</u>	<u>17,476</u>
Total other financing source	<u>6,089</u>	<u>17,476</u>
Excess of revenues over expenditures and other financing source	170,270	1,287,099
Fund balance at beginning of year	<u>3,975,101</u>	<u>2,688,002</u>
Fund balance at end of year	<u>\$ 4,145,371</u>	<u>\$ 3,975,101</u>

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

**CITY OF ALHAMBRA**  
**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 Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
105	Fixed Route Transit - Amend Funding Allocation	\$ 450,742	\$ 324,206	\$ 126,536	\$ 255,493
106	Senior Ride Paratransit	716,577	524,264	192,313	247,923
135	Bus Pass Subsidy Program	102,151	1,313	100,838	46,273
155	Recreational Transit	69,758	4,803	64,955	43,265
210	2018-2019 Purchase of two ACT Transit Buses	900,936	900,936	-	-
210	2020-2021 Purchase of two ACT Transit Buses	1,106,355	-	1,106,355	-
470	SGVCOG Regional Transportation Planning/Projects	35,200	36,167	(967)	35,080
610	Direct Administration	45,014	46,647	(1,633)	38,563
	Total expenditures	\$ 3,426,733	\$ 1,838,336	\$ 1,588,397	\$ 666,597

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
**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
1994	2 EL Dorado Vans	\$ 49,854	\$ -	\$ -	\$ 49,854
1996	1 Natural Gas Fuel Station	155,779	-	-	155,779
2003	1 6' Heavy Duty Steel Bench with Back	8,424	-	-	8,424
2004	NGV Fueling Station	80,886	-	-	80,886
2007	2006 Bluebird Bus Act - CNG	312,167	-	312,167	-
2007	2006 Bluebird Bus Act - CNG	312,167	-	312,167	-
2008	2007 Nabi Bus Act - CNG	326,599	-	-	326,599
2008	2007 Nabi Bus Act - CNG	326,599	-	-	326,599
2010	2009 EL Dorado Aerolite Bus	60,718	-	-	60,718
2010	2009 EL Dorado Aerolite Bus	51,779	-	-	51,779
2010	2009 EL Dorado Aerolite Bus	60,718	-	-	60,718
2010	2010 EL Dorado CNG ACT Bus	367,207	-	-	367,207
2010	2010 EL Dorado CNG ACT Bus	367,207	-	-	367,207
2010	2010 EL Dorado CNG ACT Bus	367,206	-	-	367,206
2010	2010 EL Dorado CNG ACT Bus	367,206	-	-	367,206
2019	Eldorado XHG CNG Passenger Bus	450,468	-	-	450,468
2019	Eldorado XHG CNG Passenger Bus	450,468	-	-	450,468
2020	2020 Eldorado XHF white Transit Bus	-	450,468	-	450,468
2020	2020 Eldorado XHF white Transit Bus	-	450,468	-	450,468
Total		\$ 4,115,452	\$ 900,936	\$ 624,334	\$ 4,392,054

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
**PROPOSITION C LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 4,341,214	\$ 4,036,601
Total assets	<u>\$ 4,341,214</u>	<u>\$ 4,036,601</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 371,146	\$ 163,978
Retention payable	<u>11,587</u>	<u>-</u>
Total liabilities	<u>382,733</u>	<u>163,978</u>
 <b>Fund Balance</b>		
Restricted	<u>3,958,481</u>	<u>3,872,623</u>
Total fund balance	<u>3,958,481</u>	<u>3,872,623</u>
Total liabilities and fund balance	<u>\$ 4,341,214</u>	<u>\$ 4,036,601</u>

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

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

	2021	2020
<b>REVENUES</b>		
Proposition C	\$ 1,450,784	\$ 1,392,133
Interest income	24,233	81,774
Unrealized loss on investments	(23,430)	-
Other income	386	-
	<b>1,451,973</b>	<b>1,473,907</b>
 <b>EXPENDITURES</b>		
Various projects	1,366,115	1,628,612
	<b>1,366,115</b>	<b>1,628,612</b>
Excess (deficiency) of revenues over expenditures	85,858	(154,705)
Fund balance at beginning of year	3,872,623	4,027,328
Fund balance at end of year	\$ 3,958,481	\$ 3,872,623

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

**CITY OF ALHAMBRA**  
**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	Fixed Route Transit	\$ 949,362	\$ 700,250	\$ 249,112	\$ 671,673
106	Senior Ride Paratransit	1,038,534	411,690	626,844	743,028
160	Rail Station Operations	54,079	54,150	(71)	70,522
215	CNG Station Upgrade Phase II	10,000	8,232	1,768	-
620	Direct Administration	90,039	82,793	7,246	80,942
725	2020 Concrete Improvement Project	400,000	109,000	291,000	-
805	Valley Boulevard Pedestrian Improvements Project	350,603	-	350,603	62,447
	Total expenditures	<u>\$ 2,892,617</u>	<u>\$ 1,366,115</u>	<u>\$ 1,526,502</u>	<u>\$ 1,628,612</u>

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
**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
2018	Braun Entervan White	\$ 46,457	\$ -	\$ -	\$ 46,457
2018	Braun Entervan White	46,458	-	-	46,458
2019	Starcraft Starlite	64,435	-	-	64,435
2019	Starcraft Starlite	64,435	-	-	64,435
2019	Starcraft Starlite	64,435	-	-	64,435
2019	Starcraft Starlite	64,435	-	-	64,435
2019	Starcraft Starlite	64,435	-	-	64,435
2020	Ingersoll-Rand CNG Compressor	10,000	-	-	10,000
Total		<u>\$ 425,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,090</u>

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
**MEASURE R LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ <u>2,566,759</u>	\$ <u>1,479,286</u>
Total assets	\$ <u><u>2,566,759</u></u>	\$ <u><u>1,479,286</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
 <b>Fund Balance</b>		
Restricted	<u>2,566,759</u>	<u>1,479,286</u>
Total fund balance	<u>2,566,759</u>	<u>1,479,286</u>
Total liabilities and fund balance	\$ <u><u>2,566,759</u></u>	\$ <u><u>1,479,286</u></u>

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

**CITY OF ALHAMBRA**  
**MEASURE R 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>
<b>REVENUES</b>		
Measure R	\$ 1,089,596	\$ 1,042,606
Interest income	11,597	49,713
Unrealized loss on investments	<u>(13,720)</u>	<u>-</u>
Total revenues	<u>1,087,473</u>	<u>1,092,319</u>
<b>EXPENDITURES</b>		
Various projects	<u>-</u>	<u>2,067,788</u>
Total expenditures	<u>-</u>	<u>2,067,788</u>
Excess (deficiency) of revenues over expenditures	1,087,473	(975,469)
Fund balance at beginning of year, as restated	<u>1,479,286</u>	<u>2,454,755</u>
Fund balance at end of year	<u><u>\$ 2,566,759</u></u>	<u><u>\$ 1,479,286</u></u>

The accompanying notes are an integral part of the financial statements

**CITY OF ALHAMBRA**  
**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)	
1.05	2018 Streets and Rehabilitation	\$ -	\$ -	\$ -	\$ 501,231
1.05	SB1 Road Rehabilitation Project	-	-	-	1,566,084
7.90	Other Planning for Streets and Roads	-	-	-	473
	Total expenditures	\$ -	\$ -	\$ -	\$ 2,067,788

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
**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 ALHAMBRA**  
**MEASURE M LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 2,698,496	\$ 2,099,249
Total assets	<u>\$ 2,698,496</u>	<u>\$ 2,099,249</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 216,653	\$ 117,068
Retention payable	-	8,228
Total liabilities	<u>216,653</u>	<u>125,296</u>
 <b>Fund Balance</b>		
Restricted	<u>2,481,843</u>	<u>1,973,953</u>
Total fund balance	<u>2,481,843</u>	<u>1,973,953</u>
Total liabilities and fund balance	<u>\$ 2,698,496</u>	<u>\$ 2,099,249</u>

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

**CITY OF ALHAMBRA**  
**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>
<b>REVENUES</b>		
Measure M	\$ 1,234,552	\$ 1,173,905
Interest income	14,035	38,096
Unrealized loss on investments	<u>(11,410)</u>	<u>-</u>
Total revenues	<u>1,237,177</u>	<u>1,212,001</u>
<b>EXPENDITURES</b>		
Various projects	<u>729,287</u>	<u>1,022,956</u>
Total expenditures	<u>729,287</u>	<u>1,022,956</u>
Excess of revenues over expenditures	507,890	189,045
Fund balance at beginning of year	<u>1,973,953</u>	<u>1,784,908</u>
Fund balance at end of year	<u>\$ 2,481,843</u>	<u>\$ 1,973,953</u>

The accompanying notes are an integral part of the financial statements

**CITY OF ALHAMBRA**  
**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)	
640	Special Departmental Expenses	\$ 50,000	\$ -	\$ 50,000	\$ -
705	Alley Rehabilitation	-	-	-	123,229
705	Annual Maintenance of Residential Streets	603,200	14,369	588,831	899,727
780	Professional Engineering Consulting Services to Advance the 710 N Arterial and I-10 Interchange Improvement Concepts	499,700	564,286	(64,586)	-
780	Professional Stakeholder Outreach Consulting Services for 710 North Terminus	200,000	150,632	49,368	-
	<b>Total expenditures</b>	<b>\$ 1,352,900</b>	<b>\$ 729,287</b>	<b>\$ 623,613</b>	<b>\$ 1,022,956</b>

See accompanying independent auditor's report.

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

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 5,388	\$ 4,856
Due from Metro	65,992	133,201
Total assets	\$ 71,380	\$ 138,057
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 62,692	\$ -
Retention payable	3,300	-
Total liabilities	65,992	-
<b>Fund Balance</b>		
Restricted	5,388 *	138,057
Total fund balance	5,388	138,057
Total liabilities and fund balance	\$ 71,380	\$ 138,057

\* Since the unspent fund balance of \$5,388 is a receivable from Metro as of June 30, 2021, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

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

**CITY OF ALHAMBRA**  
**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>
<b>REVENUES</b>		
TDA 3	\$ 65,992	\$ 133,201
Interest income	640	85
Unrealized loss on investments	<u>(108)</u>	<u>-</u>
Total revenues	<u>66,524</u>	<u>133,286</u>
<b>EXPENDITURES</b>		
Various projects	<u>199,193</u>	<u>-</u>
Total expenditures	<u>199,193</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(132,669)	133,286
Fund balance at beginning of year	<u>138,057</u>	<u>4,771</u>
Fund balance at end of year *	<u>\$ 5,388</u>	<u>\$ 138,057</u>

\* Since the unspent fund balance of \$5,388 is a receivable from Metro as of June 30, 2021, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

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

**CITY OF ALHAMBRA**  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT  
ALLOCATION FOR SPECIFIC PROJECTS  
For the Fiscal Year Ended June 30, 2020

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
Bicycle and Pedestrian Master Plan	2019-20	\$ -	\$ 133,201	\$ (133,201)	Complete
Bicycle and Pedestrian Master Plan	2020-21	<u>65,992</u>	<u>65,992</u>	<u>-</u>	Complete
	Total	<u>\$ 65,992</u>	<u>\$ 199,193</u>	<u>(133,201)</u>	
Interest income				640	
Unrealized loss on investments				(108)	
Fund balance at beginning of year				<u>138,057</u>	
Fund balance at end of year				<u>\$ 5,388</u> *	

\* Since the unspent fund balance of \$5,388 is a receivable from Metro as of June 30, 2021, the City is not required to return the ending fund balance to Metro to be placed on reserve for the City.

See accompanying independent auditor's report.

**CITY OF ALHAMBRA**  
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 the spending or “financial flow” measurement focus. This means that generally only current assets, current liabilities and deferred inflows and outflows of resources are included on their balance sheets. The statement of revenues, expenditures and changes in fund balance for Special Revenue Funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

*Budgets and Budgetary Accounting*

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

**CITY OF ALHAMBRA**  
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 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 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 classification 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).

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

*Reclassification*

Certain reclassifications have been made to fiscal year 2020 amounts in order to conform to the fiscal year 2021 presentation. Such reclassifications had no effect on the previously reported change in fund balance.

**NOTE 2 – ANNUAL FINANCIAL STATEMENTS**

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

**CITY OF ALHAMBRA**  
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 balances to the total of the pooled cash and investments.

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

**NOTE 8 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT - PALRF**

The City entered into a Memorandum of Understanding (MOU) agreement with Metro to receive Proposition A Discretionary Incentive Grant for participating in the Consolidated National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2021 and 2020 consisted of the following:

Agreement Date	Period	NTD Voluntary Reporting	MOU Amount	Amount Received	
				2021	2020
May 1, 2020	5/1/20 – 6/30/23	FY 2017-18	\$ 117,263	\$ 117,263	\$ -
July 1, 2019	7/1/19 – 6/30/23	FY 2016-17	\$ 99,497	99,497	-
July 31, 2017	7/1/17 – 6/30/19	FY 2014-15	\$ 142,624	-	142,624
		Total	\$	216,760	\$ 142,624

The Proposition A Discretionary Incentive Grants were recorded under PALRF.

**NOTE 9 – PROJECT GENERATED REVENUE - PALRF**

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

	2021	2020
Metro bus tokens	\$ 465	\$ 350
Metro monthly bus passes	-	35,983
Total	\$ 465	\$ 36,333

**NOTE 10 – OTHER INCOME – PALRF**

Other income for the years ended June 30, 2021 and 2020 consisted of the following:

	2021	2020
Bus shelter advertising fees	\$ 31,500	\$ 18,900
Total	\$ 31,500	\$ 18,900

**NOTE 11 – SALE OF CAPITAL ASSETS - PALRF**

In fiscal year ended June 30, 2021, the City sold two buses in an auction for a total amount of \$6,089 on March 18, 2021. Moreover, in fiscal year ended June 30, 2020, the City sold buses in two auctions on September 10, 2019 and December 10, 2019 for a total amount of \$17,476.

The proceeds from the sales were recorded under PALRF.

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

**NOTE 11 – 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 2015-16 allocation	\$ -	\$ 15,437
FY 2016-17 allocation	-	56,680
FY 2017-18 allocation	-	56,516
FY 2018-19 allocation	54,355	4,568
FY 2019-20 allocation	11,637	-
Total payment requested	\$ <u>65,992</u>	\$ <u>133,201</u>

**NOTE 12 – 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, 2021 and 2020, the City has funds on reserve as follows:

	<u>2021</u>	<u>2020</u>
FY 2018-19 allocation	\$ -	\$ 54,355
FY 2019-20 allocation	50,825	62,462
FY 2020-21 allocation	48,851	-
Available reserve balance	\$ <u>99,676</u>	\$ <u>116,817</u>

**NOTE 13 – 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 statements.

**NOTE 14 – SUBSEQUENT EVENTS**

The City has evaluated subsequent events through November 19, 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

## **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 Alhambra, 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 Alhambra, 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 November 19, 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

Los Angeles, California  
November 19, 2021

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*COMPLIANCE SECTION*

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

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

## Independent Auditor's Report on Compliance

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

### Report on Compliance

We have audited the compliance of the City of Alhambra, 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 &amp; Simpson".

Los Angeles, California  
November 19, 2021

**CITY OF ALHAMBRA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>						
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	
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 or elements.			X	None	

**CITY OF ALHAMBRA**  
**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>A. Proposition A and Proposition C Local Return Funds</b>						
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	
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 ALHAMBRA**  
**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>B. Measure R Local Return Fund</b>						
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	
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	
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	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
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 ALHAMBRA**  
**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>B. Measure R Local Return Fund</b>						
14.	Recreational transit form was submitted on time.			X	None	
15.	Fund exchanges were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

**CITY OF ALHAMBRA**  
**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>C. Measure M Local Return Fund</b>						
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	
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	
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	
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	

**CITY OF ALHAMBRA**  
**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>C. Measure M Local Return Fund</b>						
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

**CITY OF ALHAMBRA**  
**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>D. Transportation Development Act Article 3 Fund</b>						
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 ALHAMBRA***  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2021

No findings were noted.

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***EXIT CONFERENCE***

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**CITY OF ALHAMBRA**  
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  
EXIT CONFERENCE  
June 30, 2021

An exit conference was held on November 30, 2021 with the City of Alhambra. Those in attendance were:

***Simpson & Simpson Representative:***

Patrick Zhang, Auditor

***City's Representative:***

Dean Johnson, Assistant Finance Director  
Hsiulee Tran, Accounting Manager

***Matters Discussed:***

Results of the audit disclosed no significant control deficiencies or 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:

Dean Johnson, Assistant Finance Director  
Hsiulee Tran, Accounting Manager

Simpson & Simpson, LLP  
633 West 5<sup>th</sup> Street, Suite 3320  
Los Angeles, CA 90071

RE: CITY OF ALHAMBRA 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 Alhambra and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

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Name

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Title

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Date