

***CITY OF SOUTH PASADENA  
ANNUAL FINANCIAL REPORT OF THE  
PROPOSITION A LOCAL RETURN FUND  
PROPOSITION C LOCAL RETURN FUND  
MEASURE R LOCAL RETURN FUND  
MEASURE M LOCAL RETURN FUND  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3 FUND  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2021 AND 2020***



**Metro<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

***CITY OF SOUTH PASADENA***  
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***FINANCIAL SECTION***

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds), of the City of South Pasadena, California (the City) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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### ***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 South Pasadena, California, as of June 30, 2021 and 2020, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements present only the PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F of the City and do not purport to, and do not, present fairly the financial position of the City of South Pasadena, 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 27, 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 27, 2021

**CITY OF SOUTH PASADENA**  
**PROPOSITION A LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**JUNE 30**

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,518,993	\$ 1,245,247
Interest receivable	1,249	2,677
Total assets	\$ 1,520,242	\$ 1,247,924
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Retention payable	\$ 27,285	\$ 6,028
Accrued payroll and employee benefits	3,840	2,070
Total liabilities	31,125	8,098
 <b>Fund Balance</b>		
Restricted	1,489,117	1,239,826
Total fund balance	1,489,117	1,239,826
Total liabilities and fund balance	\$ 1,520,242	\$ 1,247,924

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

**CITY OF SOUTH PASADENA**  
**PROPOSITION A 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 A	\$ 528,052	\$ 505,425
Proposition A Discretionary Incentive Grant (Note 8)	30,364	12,156
Interest income	19,329	28,682
Project generated revenue (Note 9)	1,949	5,709
Unrealized gain (loss) on investments	(12,865)	14,595
Total revenues	566,829	566,567
<b>EXPENDITURES</b>		
Various projects	317,538	341,227
Total expenditures	317,538	341,227
Excess of revenues over expenditures	249,291	225,340
Fund balance at beginning of year	1,239,826	1,014,486
Fund balance at end of year	\$ 1,489,117	\$ 1,239,826

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



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

Project Code	Project Name	2021		Variance	2020 Actual
		Metro Budget	Actual	Favorable (Unfavorable)	
107	Dial-A-Ride	\$ 231,468	\$ 158,023	\$ 73,445	\$ 217,782
135	Bus Pass Subsidy	10,000	360	9,640	13,740
155	Recreational Transit Trips	10,000	-	10,000	19,421
170	Mission Meridian Park and Ride Lot	70,741	32,677	38,064	33,396
180	Transit Planning	75,807	47,729	28,078	50,405
180	Transit Planning	76,307	-	76,307	-
205	Purchase and Installation of Charging Station	57,000	57,000	-	-
210	Purchase Dial-A-Ride Van	100,000	-	100,000	-
220	Mission - Meridian Park and Ride Lot	60,741	-	60,741	-
261	Dial-A-Ride Charging Station	57,000	-	57,000	-
270	Generator for Park and Ride	80,000	7,500	72,500	-
270	Generator for Mission Meridian Park and Ride Lot	9,000	-	9,000	-
302	Fair Oaks Traffic Signal Improvement	50,000	-	50,000	-
610	Proposition A Administration	15,310	14,249	1,061	6,483
	Total expenditures	\$ 903,374	\$ 317,538	\$ 585,836	\$ 341,227

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
1977	WAS Memorial Building Park	\$ 108,861	\$ -	\$ -	\$ 108,861
2014	Compressed Natural Gas Deluxe Passenger Vehicle	59,100	-	-	59,100
2016	Transit Demand Response Transportation Management System	28,194	-	-	28,194
2016	2017 Ford E450 Cutaway Compressed Natural Gas Passenger Bus	88,762	-	-	88,762
2017	2017 Phoenix Zeus Electric Passenger Bus	114,501	-	-	114,501
2017	Clipper Creek I x I CS-100 PEV Charger	16,450	-	-	16,450
2018	Meridian Parking Garage Vending Machine	12,997	-	-	12,997
Total		<u>\$ 428,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,865</u>

See accompanying independent auditor's report.

**CITY OF SOUTH PASADENA**  
**PROPOSITION C LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**JUNE 30**

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,000,749	\$ 941,278
Interest receivable	833	2,053
Total assets	\$ 1,001,582	\$ 943,331
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,757	\$ 23,210
Accrued salaries and benefits	3,836	2,992
Total liabilities	7,593	26,202
 <b>Fund Balance</b>		
Restricted	993,989	917,129
Total fund balance	993,989	917,129
Total liabilities and fund balance	\$ 1,001,582	\$ 943,331

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

**CITY OF SOUTH PASADENA**  
**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	\$ 438,000	\$ 419,251
Interest income	13,174	20,291
Parking revenue (Note 10)	2,311	38,877
Unrealized gain (loss) on investments	(8,572)	11,047
Total revenues	444,913	489,466
<b>EXPENDITURES</b>		
Various projects	368,053	245,439
Total expenditures	368,053	245,439
Excess of revenues over expenditures	76,860	244,027
Fund balance at beginning of year	917,129	673,102
Fund balance at end of year	\$ 993,989	\$ 917,129

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

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

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
107	Dial-A-Ride	\$ 300,747	\$ 244,792	\$ 55,955	\$ 202,106
210	Purchase Paratransit Van	40,000	-	40,000	-
261	EV Charging Station Installation Project	60,000	-	60,000	-
303	Fair Oaks Avenue Integrated Central Advanced Traffic Management and Control System	24,900	25,000	(100)	3,565
620	Proposition C Administration	6,561	6,602	(41)	4,692
720	Fair Oaks Avenue Integrated Central Advanced Traffic Management and Control System	61,335	61,335	-	-
765	Pavement Management System Update	18,924	18,864	60	35,076
765	Pavement Management System	54,000	-	54,000	-
780	Fair Oaks Corridor Improvement Project	200,000	-	200,000	-
890	South Pasadena Business District Pedestrian Improvement Project	50,000	-	50,000	-
890	Pedestrian Traffic Control Devices	55,000	11,460	43,540	-
	Total expenditures	\$ 871,467	\$ 368,053	\$ 503,414	\$ 245,439

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
2012	MV-1 CNG Vehicle	\$ 51,721	-	-	\$ 51,721
2015	Mission Street Improvements	81,089	-	-	81,089
2016	CNG Ford F250 Regular Cab Truck	33,985	-	-	33,985
2019	CNG Fuel Station Upgrade	80,000	-	-	80,000
Total		\$ 246,795	-	-	\$ 246,795

See accompanying independent auditor's report.

**CITY OF SOUTH PASADENA**  
**MEASURE R LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**JUNE 30**

	2021	2020
<b>ASSETS</b>		
Cash and investments	\$ 1,070,304	\$ 1,164,346
Interest receivable	841	2,437
Total assets	\$ 1,071,145	\$ 1,166,783
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 86,181
Total liabilities	-	86,181
<b>FUND BALANCE</b>		
Restricted	1,071,145	1,080,602
Total fund balance	1,071,145	1,080,602
Total liabilities and fund balance	\$ 1,071,145	\$ 1,166,783

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

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

	2021	2020
<b>REVENUES</b>		
Measure R	\$ 328,956	\$ 313,988
Interest income	13,682	25,277
Unrealized gain (loss) on investments	(8,642)	13,580
Total revenues	333,996	352,845
<b>EXPENDITURES</b>		
Various projects	343,453	270,116
Total expenditures	343,453	270,116
Excess (deficiency) of revenues over expenditures	(9,457)	82,729
Fund balance at beginning of year	1,080,602	997,873
Fund balance at end of year	\$ 1,071,145	\$ 1,080,602

The accompanying notes are an integral part of the financial statements



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

Project Code	Project Name	2021			2020 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
715	Monterey Road (Pasadena to Western City Limits)	\$ 632,882	\$ 343,453	\$ 289,429	\$ -
780	Fair Oaks Corridor Improvements	600,000	-	600,000	-
1.05	Hawthorne Street Improvements	-	-	-	270,116
	Total expenditures	\$ <u>1,232,882</u>	\$ <u>343,453</u>	\$ <u>889,429</u>	\$ <u>270,116</u>

See accompanying independent auditor's report.

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

Date Acquired	Description	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
2015	Hawthorne Street Improvements	\$ 295,968	\$ -	\$ -	\$ 295,968
2017	Monterey Road Improvements	475,784	-	-	475,784
2019	Monterey Road Improvements	50,855	-	-	50,855
Total		\$ 822,607	\$ -	\$ -	\$ 822,607

See accompanying independent auditor's report.

**CITY OF SOUTH PASADENA**  
**MEASURE M LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**JUNE 30**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,337,610	\$ 958,573
Interest receivable	<u>1,074</u>	<u>1,964</u>
Total assets	<u>\$ 1,338,684</u>	<u>\$ 960,537</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>1,338,684</u>	<u>960,537</u>
Total fund balance	<u>1,338,684</u>	<u>960,537</u>
Total liabilities and fund balance	<u>\$ 1,338,684</u>	<u>\$ 960,537</u>

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

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

	2021	2020
<b>REVENUES</b>		
Measure M	\$ 372,719	\$ 353,424
Interest income	16,518	19,241
Unrealized gain (loss) on investments	(11,090)	11,191
Total revenues	378,147	383,856
<b>EXPENDITURES</b>		
Diamond Avenue Street Improvements	-	86,000
Total expenditures	-	86,000
Excess of revenues over expenditures	378,147	297,856
Fund balance at beginning of year	960,537	662,681
Fund balance at end of year	\$ 1,338,684	\$ 960,537

The accompanying notes are an integral part of the financial statements

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

Project Code	Project Name	2021		Variance Favorable (Unfavorable)	2020 Actual
		Metro Budget	Actual		
705	Street Repairs per Pavement Management System	\$ 680,000	\$ -	\$ 680,000	\$ -
1.05	Diamond Avenue Street Improvements	-	-	-	86,000
	Total expenditures	<u>\$ 680,000</u>	<u>\$ -</u>	<u>\$ 680,000</u>	<u>\$ 86,000</u>

See accompanying independent auditor's report.

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

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

See accompanying independent auditor's report.

**CITY OF SOUTH PASADENA**  
**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	\$ 10,251	\$ 10,251
Total assets	\$ 10,251	\$ 10,251
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 10,251	\$ -
Total liabilities	10,251	-
 <b>Fund Balance</b>		
Restricted	-	10,251
Total fund balance	-	10,251
Total liabilities and fund balance	\$ 10,251	\$ 10,251

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

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

	2021	2020
<b>REVENUES</b>		
TDA 3 (Note 13)	\$ (10,251)	\$ 48,280
Interest income	83	-
Unrealized loss on investments	(83)	-
Total revenues	(10,251)	48,280
<b>EXPENDITURES</b>		
Citywide Bike Parking	-	38,041
Total expenditures	-	38,041
Excess (deficiency) of revenues over expenditures	(10,251)	10,239
Fund balance at beginning of year	10,251	12
Fund balance at end of year	\$ -	\$ 10,251

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



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

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
None		\$ -	\$ -	\$ -	
Total		<u>\$ -</u>	<u>\$ -</u>	-	
Fund balance at beginning of the year				10,251	
Funds returned to Metro (Note 13)				<u>(10,251)</u>	
Fund balance at end of year				<u>\$ -</u>	

See accompanying independent auditor's report.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fund Accounting*

The operations of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Measure M Local Return Fund (MMLRF), and Transportation Development Act Article 3 Fund (TDAA3F) (collectively, the Funds) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues and expenditures.

PALRF and PCLRF represent 25% and 20%, respectively, of the ½ cent Proposition A and ½ cent Proposition C sales taxes which are distributed to the jurisdictions within Los Angeles County based on population and must be used exclusively for transportation related programs and projects.

MRLRF is derived from 15% of a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

MMLRF is derived from 17% of a county-wide ½ cent sales tax which is distributed to the jurisdictions within Los Angeles County based on a per capita basis and must be used exclusively for transportation purposes.

TDAA3F is a Special Revenue Fund that accounts for the City’s share of the Transportation Development Act Article 3 allocations which are legally restricted for specific purposes.

*Basis of Accounting and Measurement Focus*

PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Special Revenue Funds are reported on 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 SOUTH PASADENA**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2021 and 2020  
(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fair Value Measurement*

In accordance with 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.

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

**NOTE 3 – PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS**

In accordance with Proposition A and Proposition C Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Proposition A and Proposition C Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS**

In accordance with Measure R Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure R Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 5 – MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS**

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. See accompanying Compliance Matrix.

**NOTE 6 – TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS**

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

**NOTE 7 – CASH AND INVESTMENTS**

The PALRF, PCLRF, MRLRF, MMLRF, and TDAA3F's cash and investment balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash and investments account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average balances to the total of the pooled cash and investments.

**CITY OF SOUTH PASADENA**  
**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	\$ 15,774	\$ 15,774	\$ -
July 1, 2019	7/1/19 - 6/30/23	FY 2016-17	\$ 14,590	14,590	-
July 31, 2018	7/1/18 - 6/30/22	FY 2015-16	\$ 12,156	-	12,156
			Total	\$ 30,364	\$ 12,156

The Proposition A Discretionary Incentive Grant was recorded under PALRF.

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

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

	2021	2020
Dial-A-Ride Fares	\$ 1,789	\$ 2,669
Bus Pass Fares	160	3,040
Total	\$ 1,949	\$ 5,709

The significant decrease in project generated revenue in fiscal year ended June 30, 2021 was caused by the coronavirus that adversely affected the operations and services of the City.

**NOTE 10 – PARKING REVENUE – PCLRF**

The City entered into a Paid Parking at Mission-Meridian Village Garage professional service agreement with Clancy International, Inc. to operate the permit program. The City received parking revenues of \$2,311 and \$38,877 for the years ended June 30, 2021 and June 30, 2020, respectively.

The significant decrease in parking revenue in fiscal year ended June 30, 2021 was caused by the coronavirus that adversely affected the operations and services of the City.

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

**NOTE 11 – CONTINGENCIES - PCLRF**

The City, as a member of the Mission-Meridian Village Property Owners Association (POA) is obligated to make payments to the POA in the form of dues and utilities for the City’s portion as stipulated in the Covenants, Conditions and Restrictions (CC&Rs) and the annual adopted budget. A portion of the payments are charged to Proposition C for parking spaces made available to Proposition C project vehicles.

On December 8, 2015, the City sent a letter to the POA in an attempt to correct what the City believed to be the accurate amounts that the City is obligated to pay. The City believed that it has established the amount based on its staff and council review of the CC&Rs and available billing documentation provided by POA. On December 4, 2018, the City sent a final letter to Cardinal Management Group, the new management company of POA, detailing the issues and proposed a global settlement to include: a) a zeroing of both accounts (as each side of the dispute claims the other owes in excess of \$50,000); b) reimbursement by the City to POA for the City’s actual electric costs of the MMV Parking Garage; and c) POA adherence to the strict terms of the CC&Rs going forward. The City has not yet received a substantive response from the POA.

As of June 30, 2021, the POA parking charge statement presented an accumulated balance due from the City in the amount of \$201,873. Although the City is disputing the accuracy of the dues and utilities calculation provided by the POA, there is a chance that the City will be liable to pay a portion or the entire outstanding amount of \$201,873 to the POA utilizing PCLRF monies. Colantuono, Highsmith, Whatley PC, the legal counsel of the City, believed that even though the dispute involves over \$50,000, it has not yet ripened into a claim of lawsuit and is presently being handled administratively by the City staff with legal support of its firm.

**NOTE 12 – TRANSPORTATION DEVELOPMENT ACT FUND REVENUE ALLOCATION**

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

	2021	2020
FY 2017-18 allocation	\$ -	\$ 16,962
FY 2018-19 allocation	-	17,630
FY 2019-20 allocation	-	13,688
Total payment requested	\$ -	\$ 48,280

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

**NOTE 13 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED**

In accordance with TDA Article 3 (SB821) Guidelines, funds not spent during the fiscal year have been placed on reserve in the Local Transportation Fund (LTF) account with the County Auditor-Controller to be drawn down whenever the funds become eligible for a specific project and an approved drawdown request is received by Metro. As of June 30, 2021 and 2020, the City has funds on reserve as follows:

		2021		2020
FY 2018-19 allocation *	\$	1,696	\$	-
FY 2019-20 allocation *		13,688		5,133
Available reserve balance	\$	15,384	\$	5,133

\* The funds returned to Metro in the amount of \$10,251, are added back to FY 2018-19 and FY 2019-20 allocations in the amounts of \$1,696 and \$8,555, respectively.

**NOTE 14 – 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 15 – SUBSEQUENT EVENTS**

The City has evaluated subsequent events through November 27, 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 South Pasadena, California and the  
Los Angeles County Metropolitan Transit Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of South Pasadena, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated November 27, 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 27, 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 South Pasadena, California and the  
Los Angeles County Metropolitan Transit Authority

### Report on Compliance

We have audited the compliance of the City of South Pasadena, California (the City) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2021.

### *Management's Responsibility*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Guidelines referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M Local Return Program, and Transportation Development Act Article 3 Program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the City complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2021.





## Report on Internal Control Over Compliance

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

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

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

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

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

Los Angeles, California  
November 27, 2021

**CITY OF SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
 Year Ended June 30, 2021  
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2021  
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA**  
**COMPLIANCE MATRIX**  
 Year Ended June 30, 2021  
 (Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>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 SOUTH PASADENA***  
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 SOUTH PASADENA**  
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 December 15, 2021 with the City of South Pasadena. Those in attendance were:

***Simpson & Simpson Representative:***

John Longoria, Senior Auditor

***City's Representatives:***

Albert Trinh, Finance Manager  
Armine Trashian, Accounting Manager  
Esteban Alvarez, Accounting Technician  
Ken Louie, Interim Finance Director

***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:

Albert Trinh, Finance Manager

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

RE: CITY OF SOUTH PASADENA ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND, AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, and Transportation Development Act Article 3 Fund for the years ended June 30, 2021 and 2020 for the City of South Pasadena and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date