

**Measure R Local Return Fund Audit Results
For the Fiscal Years Ended June 30, 2024
(Package B)**

Simpson & Simpson, LLP



**Measure R Independent Taxpayers Oversight Committee Meeting
March 5, 2025**

Agenda

- ❖ Presenters: Etta Hur, CPA, Partner
Austine Cho, CPA, Senior Audit Manager
 - Background
 - Summary of Audit Results - Findings and Questioned Costs
 - Analysis of Measure R Audit Results
 - S&S Contact Information
 - Questions

Background

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- We have audited the compliance of the following 49 cities (49 Jurisdictions under Package B).

1. CITY OF ALHAMBRA	31. CITY OF PALMDALE
2. CITY OF ARCADIA	32. CITY OF PALOS VERDES ESTATES
3. CITY OF ARTESIA	33. CITY OF PARAMOUNT
4. CITY OF AVALON	34. CITY OF PASADENA
5. CITY OF BELLFLOWER	35. CITY OF RANCHO PALOS VERDES
6. CITY OF BRADBURY	36. CITY OF REDONDO BEACH
7. CITY OF BURBANK	37. CITY OF ROLLING HILLS
8. CITY OF CERRITOS	38. CITY OF ROLLING HILLS ESTATES
9. CITY OF CLAREMONT	39. CITY OF SAN DIMAS
10. CITY OF COVINA	40. CITY OF SAN GABRIEL
11. CITY OF DIAMOND BAR	41. CITY OF SAN MARINO
12. CITY OF DOWNEY	42. CITY OF SANTA CLARITA
13. CITY OF DUARTE	43. CITY OF SIERRA MADRE
14. CITY OF EL SEGUNDO	44. CITY OF SIGNAL HILL
15. CITY OF GLENDALE	45. CITY OF SOUTH PASADENA
16. CITY OF GLENDOURA	46. CITY OF TEMPLE CITY
17. CITY OF HAWAIIAN GARDENS	47. CITY OF TORRANCE
18. CITY OF HERMOSA BEACH	48. CITY OF WEST COVINA
19. CITY OF LA CANADA FLINTRIDGE	49. CITY OF WHITTIER
20. CITY OF LA HABRA HEIGHTS	
21. CITY OF LA MIRADA	
22. CITY OF LA VERNE	
23. CITY OF LAKEWOOD	
24. CITY OF LANCASTER	
25. CITY OF LOMITA	
26. CITY OF LONG BEACH	
27. CITY OF LOS ANGELES	
28. CITY OF MANHATTAN BEACH	
29. CITY OF MONROVIA	
30. CITY OF NORWALK	

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- We conducted our audits of compliance in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in government auditing standards, and the compliance requirements described in the Measure R Ordinance, the Measure R Local Return Guidelines and the respective Assurances and Understandings Regarding Receipt and Use of Measure R Local Return Funds.

Summary of Audit Results – Findings and Questioned Costs

Summary of Audit Results

❖ Audit Summary: FY2024

Audits were performed for all 49 jurisdictions in FY2024:

- Total dollar amounts associated with the findings are as follows:
 - **FY2024:** Increase from \$100,429 in FY2023 to \$1,832,895 in FY2024.

FY2024 Summary of Audit Results

FY2024 Audit Summary:

- **Total Questioned Costs:** \$1,832,895 (approximately 1.6% of the FY2024 Measure R allocations of \$115,378,368 under Package B).
- **Resolution:** All questioned costs were resolved during the audits.

Types of Questioned Costs:

- a) \$31,949: Funds expended on Measure R eligible project prior to Metro's approval (resolved during the audits).
- b) \$1,800,946: No timely use of funds (resolved during the audit).

Compliance Findings:

- **4 Non-Compliance Findings** were identified.
- No Material Weaknesses and No Significant Deficiencies in internal control over compliance were noted for FY2024.

FY2024 Summary of Audit Results (Cont.)

FY2024 Findings	# of Findings	Responsible Cities/ Finding Reference	Questioned Costs	Resolved During the Audit
Funds were expended with Metro's approval.	1	Lancaster (#2024-003)	\$ 31,949	\$ 31,949
Timely use of funds.	1	Glendale (#2024-001)	1,800,846	1,800,846
Accounting procedures, record keeping, and documentation are adequate.	2	Glendora (#2024-002) South Pasadena (#2024-004)	None None	None None
Total FY2024 Findings and Questioned Cost	4		\$ 1,832,895	\$ 1,832,895

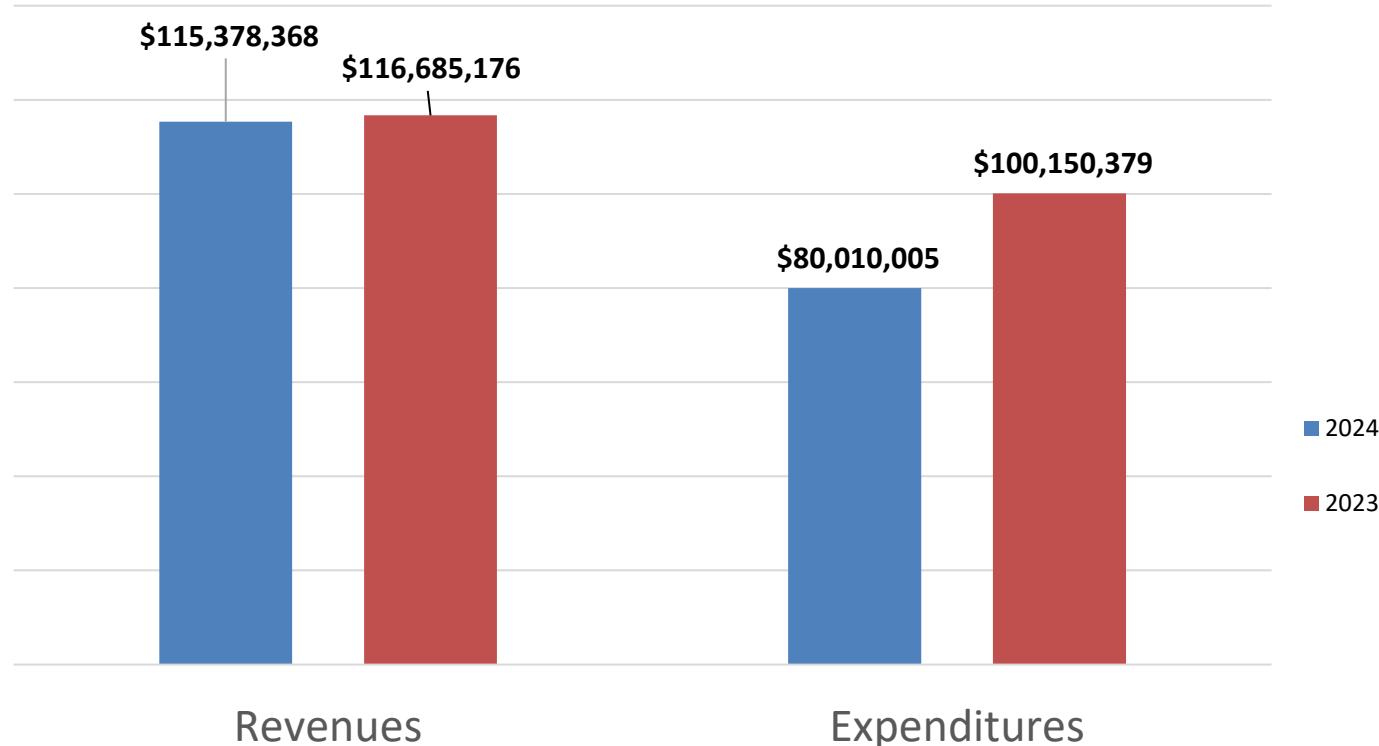
FY2024 Material Weakness and Significant Deficiency In Internal Controls over Compliance

- **There were no material weaknesses and no significant deficiencies in internal control over Compliance noted during our audit of FY2024.**

Analysis of Measure R Audit Results

Revenue and Expenditures of 49 Jurisdictions

FY 2024 and FY 2023
Revenues and Expenditures



S&S Contact information

Team member	Contact information
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Questions