

**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 GLENORA | 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.**

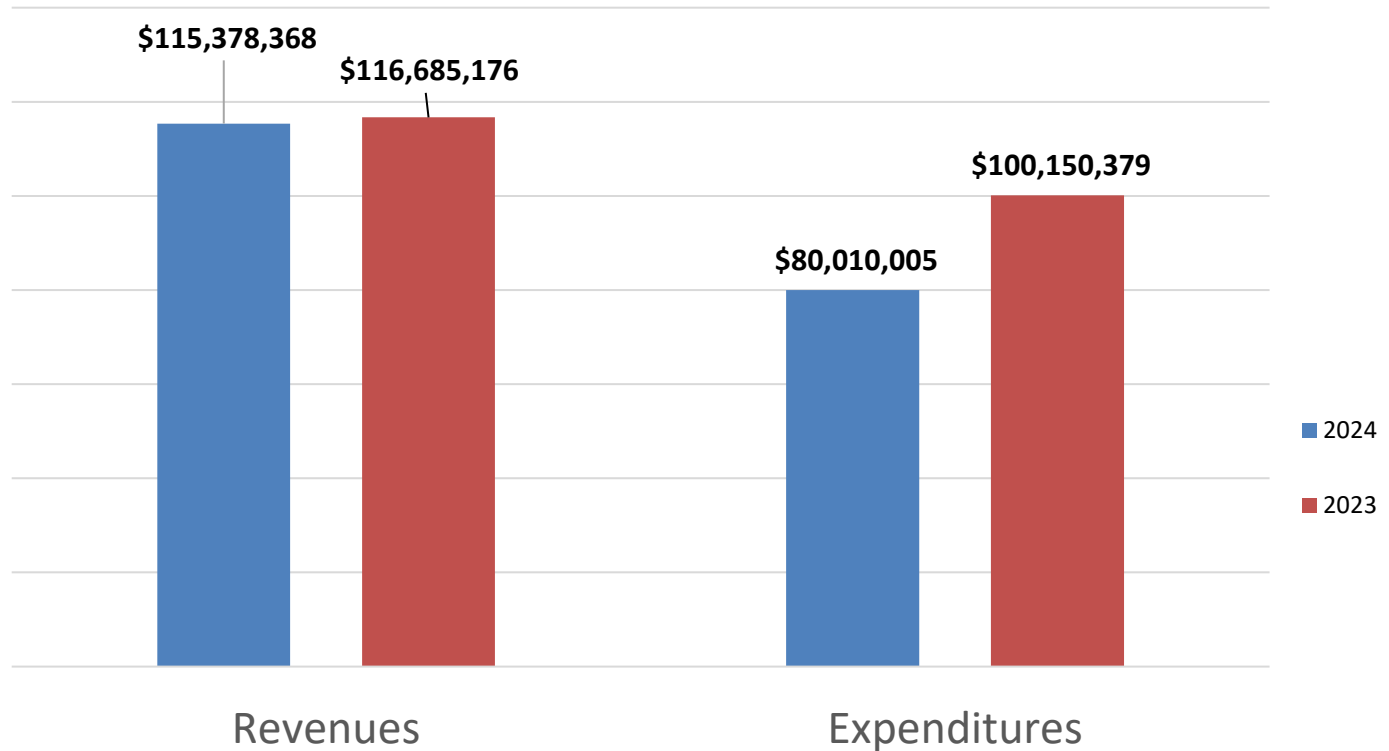


Analysis of Measure R Audit Results



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

