

***FOOTHILL TRANSIT
ANNUAL FINANCIAL REPORT OF THE
PROPOSITION A LOCAL RETURN FUND
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024***



Simpson & Simpson, LLP
Certified Public Accountants

FOOTHILL TRANSIT
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FINANCIAL SECTION



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

Independent Auditor's Report

To the Honorable Members of the Executive Board of
Foothill Transit and the
Los Angeles County Metropolitan Transportation Authority

Opinion

We have audited the accompanying financial statements of the Proposition A Local Return Fund (the Fund) of Foothill Transit, A Joint Powers Authority (Foothill Transit), which comprised the Fund's balance sheets as of June 30, 2025 and 2024, and the related statements of revenues, expenditures and changes in fund balance for the years then ended, and the related notes to the Fund's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Proposition A Local Return Fund of Foothill Transit, as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Proposition A Local Return Fund of Foothill Transit, and do not purport to, and do not, present fairly the financial position of Foothill Transit, as of June 30, 2025 and 2024, the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Fund's financial statements as a whole. The supplementary information identified in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the Fund's financial statements. The information has been subjected to the auditing procedures applied in the audit of the Fund's financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Fund's financial statements or to the Fund's financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the Fund's financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2025, on our consideration of Foothill Transit's internal control over the Fund's 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 Fund's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Foothill Transit's internal control over the Fund's financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foothill Transit's internal control over the Fund's financial reporting and compliance.

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
December 24, 2025

FOOTHILL TRANSIT
PROPOSITION A LOCAL RETURN FUND
BALANCE SHEETS
June 30

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and investments	\$ 11,923,254	\$ 13,534,817
Due from other government (Note 5)	<u>2,000,000</u>	<u>-</u>
Total assets	<u>\$ 13,923,254</u>	<u>\$ 13,534,817</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ <u>-</u>	\$ <u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
 Fund Balance		
Restricted	<u>13,923,254</u>	<u>13,534,817</u>
Total fund balance	<u>13,923,254</u>	<u>13,534,817</u>
 Total liabilities and fund balance	<u>\$ 13,923,254</u>	<u>\$ 13,534,817</u>

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

FOOTHILL TRANSIT
PROPOSITION A LOCAL RETURN FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Years Ended June 30

	<u>2025</u>	<u>2024</u>
REVENUES		
Proposition A fund exchange (Note 5)	\$ 6,082,250	\$ 4,500,000
Investment income (Note 5)	<u>169,665</u>	<u>-</u>
Total revenues	<u>6,251,915</u>	<u>4,500,000</u>
 EXPENDITURES		
Transit operations	<u>5,863,478</u>	<u>465,183</u>
Total expenditures	<u>5,863,478</u>	<u>465,183</u>
 Excess (deficiency) of revenues over expenditures	388,437	4,034,817
 Fund balance at beginning of year	<u>13,534,817</u>	<u>9,500,000</u>
 Fund balance at end of year	\$ <u><u>13,923,254</u></u>	\$ <u><u>13,534,817</u></u>

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

FOOTHILL TRANSIT
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES
ACTUAL AND METRO APPROVED PROJECT BUDGET
For the Fiscal Year Ended June 30, 2025
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2024)

Project Code	Project Name	2025				2024 Actual
		Metro Budget*	Actual	Variance Favorable (Unfavorable)		
115	Transit Operations	\$ -	\$ 5,863,478	\$ -	\$	465,183
	Total expenditures	\$ -	\$ 5,863,478	\$ -	\$	465,183

Note *: Foothill Transit was granted an exemption from Metro's requirement to submit for budget approval prior to incurring expenditures during the fiscal year 2025.

See accompanying independent auditor's report.

FOOTHILL TRANSIT
PROPOSITION A LOCAL RETURN FUND
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2025

<u>Date</u> <u>Acquired</u>	<u>Description</u>	<u>Balance</u> <u>7/1/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2025</u>
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

FOOTHILL TRANSIT
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The operations of the Proposition A Local Return Fund (PALRF) (the Fund) are accounted for in a separate self-balancing account that comprises of assets, liabilities, fund balance, revenues and expenditures.

PALRF represents 25% of the ½ cent Proposition A 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.

Basis of Accounting and Measurement Focus

PALRF is 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 sheet. The statement of revenues, expenditures and changes in fund balance for Special Revenue Funds generally presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net fund balances.

Budgets and Budgetary Accounting

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

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, Foothill Transit 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, Foothill Transit reports its investment at fair value and recognizes unrealized gain (loss) on investments.

Refer to Foothill Transit’s 2025 Annual Comprehensive Financial Report (ACFR) for detailed disclosures regarding Foothill Transit’s investments policy and fair value measurement.

FOOTHILL TRANSIT
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024
(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reports the following fund balance classifications as of June 30, 2025 and 2024:

- Restricted – Amounts that are constrained for specific purpose, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The uses of the Fund’s 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 Foothill Transit is described in Note 1 to Foothill Transit’s ACFR.

NOTE 2 – ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF and its compliance with the Proposition A Local Return Program Guidelines.

NOTE 3 – PROPOSITION A LOCAL RETURN COMPLIANCE REQUIREMENTS

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

NOTE 4 – CASH AND INVESTMENTS

The PALRF’s cash and investment balances are pooled with various other Foothill Transit funds for deposit and investment purposes. The Fund’s share in the pooled cash account was separately maintained.

FOOTHILL TRANSIT
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Years Ended June 30, 2025 and 2024
(Continued)

NOTE 5 – PROPOSITION A LOCAL RETURN FUND EXCHANGE

As permitted by the Local Return Guidelines and as approved by Metro, Foothill Transit entered into agreements with various cities to exchange Foothill Transit's general fund monies for the cities' uncommitted PALRF monies. The funds received from these exchanges were recorded in the PALRF.

For the fiscal years ended June 30 2025 and 2024, Foothill Transit received \$6,082,250 and \$4,500,000, respectively, through fund exchanges with various cities. These amounts were recognized as revenue when they became measurable and available. At June 30, 2025, the Fund reported \$2,000,000 related to these exchanges as Due from other government, representing amounts receivable under the agreement with the City of West Covina.

In addition to the fund exchange receipts noted above, the Fund earned interest income on invested balances of \$169,665 during the fiscal year ended June 30, 2025. Interest income is reported separately from fund exchange revenue.

The details of these transactions are as follows:

FY 2025

Agreement Date	Jurisdiction	General Fund Monies Exchanged	PALRF Monies Received		
			City : Metro Ratio		2025
11/8/2024	San Dimas	\$ 3,400,000	\$0.85 : \$1	\$	4,000,000
3/28/2025	Bradbury	61,688	\$0.75 : \$1		82,250
5/31/2025	West Covina	1,500,000	\$0.75 : \$1		2,000,000
	Total	\$ 5,461,688		\$	6,082,250

FY 2024

Agreement Date	Jurisdiction	General Fund Monies Exchanged	PALRF Monies Received		
			City : Metro Ratio		2024
2/6/2024	San Gabriel	\$ 375,000	\$0.75 : \$1	\$	500,000
3/6/2024	Temple City	750,000	\$0.75 : \$1		1,000,000
5/31/2024	West Covina	2,250,000	\$0.75 : \$1		3,000,000
	Total	\$ 3,375,000		\$	4,500,000

NOTE 6 – SUBSEQUENT EVENTS

Foothill Transit has evaluated events or transactions that occurred subsequent to June 30, 2025 through December 24, 2025, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS
FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

**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 Executive Board of
Foothill Transit, and the
Los Angeles County Metropolitan Transit Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Proposition A Local Return Fund (the Fund) of Foothill Transit (Foothill Transit), as of and for the years ended June 30, 2025, and the related notes to the Fund's financial statements, and have issued our report thereon dated December 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Fund's financial statements, we considered Foothill Transit's internal control over the Fund's financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Fund's financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control. Accordingly, we do not express an opinion on the effectiveness of Foothill Transit'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 or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foothill Transit's 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 audit, 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
December 24, 2025

COMPLIANCE SECTION



SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonandsimpsoncpas.com

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

To the Honorable Members of the Executive Board of
Foothill Transit and the
Los Angeles County Metropolitan Transit Authority

Report on Compliance

Opinion

We have audited Foothill Transit's (Foothill Transit) compliance with the Proposition A Local Return Guidelines (the Guidelines) for the year ended June 30, 2025.

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

Management is responsible for Foothill Transit's compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or agreements applicable to Foothill Transit's Proposition A Local Return Program.



Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foothill Transit's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Foothill Transit's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guidelines, but not for the purpose of expressing an opinion on the effectiveness of Foothill Transit's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on 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 with the Guidelines on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the Guidelines will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Report on Internal Control Over Compliance (Continued)

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 black ink that reads 'Simpson & Simpson'.

Los Angeles, California
December 24, 2025

FOOTHILL TRANSIT
COMPLIANCE MATRIX
Year Ended June 30, 2025

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A Local Return Fund						
1.	Uses the State Controller's Uniform System of Accounts and Records or has established a separate Proposition A 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 Local Return Account.	X			None	
3.	Funds were expended with Metro's approval and were not substituted for property tax.			X	None	There was an exemption for the requirement to obtain Metro's approval during FY 2024-25.
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	There was an exemption for the requirement to obtain Metro's approval during FY 2024-25.
7.	Annual Project Update Report (Form B) or electronic equivalent was submitted on time.			X	None	There was an exemption for the requirement to obtain Metro's approval during FY 2024-25.
8.	Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.			X	None	There was an exemption for the requirement to obtain Metro's approval during FY 2024-25.
9.	Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.			X	None	There were no street maintenance expenditures in FY 2024-25.
10.	Local Return Account is credited for reimbursable expenditures.			X	None	There were no reimbursements in FY 2024-25.

FOOTHILL TRANSIT
COMPLIANCE MATRIX
Year Ended June 30, 2025
(Continued)

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Proposition A Local Return Fund						
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 and elements.			X	None	There were no Intelligent Transportation Systems projects in FY 2024-25.
13.	A separate account was established for Capital reserve funds, Capital reserve was approved by Metro and current status is reported in the Annual Project Update (Form B) or electronic equivalent.			X	None	There were no Capital reserves in FY 2024-25.
14.	Recreational transit form was submitted on time.			X	None	There was no recreational transit in FY 2024-25.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.	X			None	
16.	All on-going and carryover projects were reported on Form B or electronic equivalent.			X	None	There were no on-going and carryover projects in FY 2024-25.
17.	Cash or cash equivalents are maintained.	X			None	
18.	Accounting procedures, record keeping and documentation are adequate.	X			None	

FOOTHILL TRANSIT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2025

No findings were noted.

EXIT CONFERENCE

FOOTHILL TRANSIT
PROPOSITION A LOCAL RETURN FUND
EXIT CONFERENCE
June 30, 2025

An exit conference was held on December 26, 2025 with Foothill Transit. Those in attendance were:

Simpson & Simpson Representative:

Austine Cho, Senior Audit Manager

Foothill Transit's Representative:

John Xie, Controller

Matters Discussed:

Results of the audit disclosed no significant control deficiencies and no non-compliance issues with Metro Guidelines.

A copy of this report was forwarded to the following Foothill Transit representative(s) for their comments prior to the issuance of the final report:

John Xie, Controller

Simpson & Simpson, LLP
633 West 5th Street, Suite 3320
Los Angeles, CA 90071

RE: Foothill Transit Annual Financial Report of the Proposition A Local
Return Fund for the Fiscal Years Ended June 30, 2025 and 2024

I have received the annual financial report of the Proposition A Local Return Fund for the years ended June 30, 2025 and 2024 for Foothill Transit and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

Name

Title

Date