CITY OF LOS ANGELES
ANNUAL FINANCIAL REPORT OF THE

MEASURE R LOCAL RETURN FUND
MEASURE M LOCAL RETURN FUND
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

Simpson & Simpson, LLP
Certified Public Accountants

CITY OF LOS ANGELES

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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 Los Angeles, California and the
Los Angeles County Metropolitan Transportation Authority

Opinions

We have audited the accompanying financial statements of the Measure R Local Return Fund and the Measure M Local Return Fund (collectively, the Funds) of the City of Los Angeles, California (the City) which comprised the Funds' balance sheets as of June 30, 2025 and 2024, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, and the related notes to the Funds' 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 Measure R Local Return Fund and the Measure M Local Return Fund of the City of Los Angeles, California, 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 Opinions

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 the City 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 Measure R Local Return Fund and the Measure M Local Return Fund of the City of Los Angeles, California, and do not purport to, and do not, present fairly the financial position of the City, 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 the City'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 audits were conducted for the purpose of forming opinions on each of the Funds' 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 Funds' financial statements. The information has been subjected to the auditing procedures applied in the audit of the Funds' 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 GAAS. 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 also issued our report dated December 30, 2025, 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.

Simpson & Simpson

Los Angeles, California
December 30, 2025

CITY OF LOS ANGELES

MEASURE R LOCAL RETURN FUND

BALANCE SHEETS

June 30

	2025	2024
ASSETS		
Cash and investments	$ 64,700,649	$ 69,742,043
Accounts receivable	1,009,240	6,046
Investment income receivable	446,470	491,011
Due from Metro	14,920,596	15,427,648
Due from other funds (Note 7)	14,620,903	11,320,403
Total assets	$ 95,697,858	$ 96,987,151
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	$ 3,854,357	$ 1,515,728
Due to other funds (Note 7)	4,199,746	1,052,202
Obligations under securities lending transactions (Note 6)	237,107	76,234
Other liabilities (Note 8)	583,281	625,210
Total liabilities	8,874,491	3,269,374
Deferred Inflows of Resources		
Revenue from other government agencies (Note 9)	5,484,973	135,197
Total deferred inflows of resources	5,484,973	135,197
Fund Balance		
Restricted	81,338,394	93,582,580
Total fund balance	81,338,394	93,582,580
Total liabilities, deferred inflows resources, and fund balance	$ 95,697,858	$ 96,987,151

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

CITY OF LOS ANGELES

MEASURE R LOCAL RETURN FUND

STATEMENTS OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

For the Fiscal Years Ended June 30

	2025	2024
REVENUES		
Measure R	$ 56,509,906	$ 62,442,102
Interest and investment income	2,312,939	1,796,089
Unrealized gain on investment	2,038,265	227,750
Project reimbursements (Note 12)	5,060,812	15,216
Total revenues	65,921,922	64,481,157
EXPENDITURES		
Various projects	78,166,108	48,485,257
Total expenditures	78,166,108	48,485,257
Excess (deficiency) of revenues over expenditures	(12,244,186)	15,995,900
Fund balance at beginning of year	93,582,580	77,586,680
Fund balance at end of year	$ 81,338,394	$ 93,582,580

The accompanying notes are an integral part of the financial statements

CITY OF LOS ANGELES

MEASURE R 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 Metro Budget	2025 Actual	2025 Variance Favorable (Unfavorable)	2024 Actual
240	Technology and Communications	$ 32,360	$ 28,851	$ 3,509	$ 21,130
280	Downtown LA Street Car Project	752,227	458,874	293,353	-
304	Signal Improvement	581	-	581	-
304	ATSAC System Maintenance	5,819,916	2,101,763	3,718,153	3,915,896
304	Traffic Signal Supplies	785	-	785	32,690
450	Matching Funds - Measure R Projects/LRPT/30-10	12,461,242	12,461,242	-	-
590	Gender Equity in Transportation	200,000	41,874	158,126	-
630	Administrative Expenses	10,775,402	2,883,800	7,891,602	2,292,439
630	Personnel	145,435	145,435	-	145,633
705	Glendale-Hyperion Complex of Bridges	899,912	52,381	847,531	13,088
705	Safety Related Drainage Projects	525,000	525,000	-	-
710	Project Match Funds	2,677,641	150,000	2,527,641	533
715	Balboa Boulevard Project	295,197	9,403	285,794	556,672
720	Vision Zero Traffic Signal	910,576	942,985	(32,409)	-
720	Paint and Sign Maintenance	134,811	61,547	73,264	167,100
720	Glenoaks (10810) Slope Mitigation	204,441	-	204,441	-
720	Sunset Plaza	-	-	-	1,214,388
730	Reimbursement of General Fund Costs[(a)]	35,918,005	19,094,009	16,823,996	11,575,968
730	Transportation[(b)]	6,966,694	4,857,023	2,109,671	4,283,826
730	SAFETEA-LU Program Shortfall	78,558	-	78,558	-
730	Bridge Program	2,654,037	306,096	2,347,941	28,020
730	Street Services	36,671,838	22,265,102	14,406,736	17,818,110
730	Engineering	499,954	378,538	121,416	667,595
	Subtotal	$ 118,624,612	$ 66,763,923	$ 51,860,689	$ 42,733,088

(Continued)

Notes:

(a) This is primarily related to the indirect/related costs (i.e., Central Services, fringe benefits, etc.) incurred for the Complete Street Projects and are reimbursed to the General Fund.

(b) This is primarily related to the labor costs incurred for various street safety improvements.

See accompanying independent auditor's report.

CITY OF LOS ANGELES
MEASURE R 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)
(Continued)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
730	Vision Zero	$ 2,653	$ 119	$ 2,534	$ 1,910
730	Great Streets	986,135	1	986,134	90,354
730	Street Lighting	1,256,983	-	1,256,983	41,510
730	Vision Zero Contracts, Speed Surveys, Outreach Campaign	423,724	13,740	409,984	87,679
730	La Brea Ave Street Improvement Complete Street	625,000	-	625,000	-
780	General Services[c]	3,777,634	2,348,158	1,429,476	2,122,172
805	Bicycle Plan/Program Projects	5,890,550	1,491,654	4,398,896	1,036,802
805	Bicycle Parking/Racks	26,922	26,887	35	16,897
805	Bicycle Friendly Streets	398,121	-	398,121	-
805	Broadway Sur Project	150,000	-	150,000	-
806	Exposition Bikeway	334,876	-	334,876	-
806	Bicycle Lane Repair and Maintenance	2,179,270	-	2,179,270	-
820	Broadway Streetscape Project	83,335	82,417	918	-
820	7th Street Streetscape	220,891	159,865	61,026	-
820	PPP Access Ramps	2,937,172	-	2,937,172	-
820	Sidewalk Access Request Acceleration	11,875,349	6,530,645	5,344,704	-
820	Great Streets LA - Moving Beauty Pathway	282,000	-	282,000	-
825	Bikeshare Operations and Maintenance	3,565	-	3,565	-
880	Safe Routes to School Study	66,562	65,779	783	-
890	Pedestrian Safety Devices/Plan/Programs	9,147,523	367,886	8,779,637	969,879
990	Pavement Preservation Overtime	-	-	-	700,000
990	Median Island Maintenance	315,034	315,034	-	684,966
	Subtotal	40,983,299	11,402,185	29,581,114	5,752,169
	Total expenditures	$ 159,607,911	$ 78,166,108	$ 81,441,803	$ 48,485,257

Notes:

(c) This is primarily related to the labor costs incurred for Pavement Preservation Program.

See accompanying independent auditor's report.

CITY OF LOS ANGELES

MEASURE R LOCAL RETURN FUND

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL ASSETS

June 30, 2025

Date Acquired	Description	Balance 7/1/2024	Additions		Deletions	Balance 6/30/2025
3/2/2022	Dell Latitude PC x5	$ 10,676	$ -		$ -	$ 10,676
8/7/2023	Dell Precision PC x4	25,655	-		-	25,655
9/20/2023	Dell Poweredge Server x10	88,404	-		-	88,404
10/18/2023	Dell Precision PC x1	10,449	-		-	10,449
5/17/2024	Various PC and Accessories	-	26,456	*	-	26,456
3/18/2025	Applicator/Worktable x1	-	20,679		-	20,679
4/2/2025	Dell Mobile Precision PC x3	-	15,322		-	15,322
4/28/2025	Console/Server Equipment x2	-	10,631		-	10,631
5/21/2025	Fiber Optic Equipment x1	-	17,209		-	17,209
6/5/2025	Dell Precision PC x2	-	11,481		-	11,481
	Total	$ 135,184	$ 101,778		$ -	$ 236,962

* The addition relates to a capital asset that was not previously reported in the prior fiscal year.

See accompanying independent auditor's report.

CITY OF LOS ANGELES

MEASURE M LOCAL RETURN FUND

BALANCE SHEETS

June 30

		2025		2024
ASSETS				
Cash and investments	$	172,443,576	$	142,903,557
Investment income receivable		1,057,460		1,056,516
Due from other funds (Note 7)		4,470,661		4,528,416
Due from Metro		13,146,469		18,187,954
Total assets	$	191,118,166	$	166,676,443
LIABILITIES, DEFERRED INFLOWS RESOURCES, AND FUND BALANCE				
Liabilities				
Accounts payable	$	6,604,466	$	2,619,528
Due to other funds (Note 7)		5,550,498		1,689,409
Obligations under securities lending (Note 6)		631,951		156,205
Other liabilities (Note 8)		1,565,766		1,283,018
Total liabilities		14,352,681		5,748,160
Deferred Inflows of Resources				
Revenue from other government agencies (Note 9)		6,869,846		1,052,642
Total deferred inflows of resources		6,869,846		1,052,642
Fund Balance				
Restricted		169,895,639		159,875,641
Total fund balance		169,895,639		159,875,641
Total liabilities, deferred inflows resources and fund balance	$	191,118,166	$	166,676,443

The accompanying notes are an integral part of the financial statements

CITY OF LOS ANGELES

MEASURE M LOCAL RETURN FUND

STATEMENTS OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCE

For the Fiscal Years Ended June 30

	2025	2024
REVENUES		
Measure M	$ 64,055,497	$ 70,638,835
Interest and investment income	4,908,354	3,799,652
Unrealized gain on investment	3,506,471	954,653
Open Streets Grant Program (Note 11)	1,202,589	1,901,225
Project reimbursements (Note 12)	118,389	440,807
Total revenues	73,791,300	77,735,172
EXPENDITURES		
Various projects	65,871,302	57,795,669
Total expenditures	65,871,302	57,795,669
Excess of revenues over expenditures	7,919,998	19,939,503
OTHER FINANCING SOURCES (USES)		
Transfer in from General Fund (Note 10)	2,100,000	-
Total other financing sources	2,100,000	-
Excess of revenues over expenditures and other financing sources	10,019,998	19,939,503
Fund balance at beginning of year	159,875,641	139,936,138
Fund balance at end of year	$ 169,895,639	$ 159,875,641

The accompanying notes are an integral part of the financial statements

CITY OF LOS ANGELES

MEASURE M 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)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
135	Universal Basic Mobility	$ 1,300,000	$ 119,760	$ 1,180,240	$ -
280	Metro Rail Annual Work Program	3,385,000	198,567	3,186,433	202,356
280	Los Angeles Neighborhood Initiative	550,000	300,000	250,000	-
302	Intersection Improvement Unit 16 STM/STP Vision Zero	480,000	-	480,000	-
302	Osborne/Laurel Canyon Left Turn Signal	185,000	-	185,000	-
303	Pavement Preservation Traffic Loop Replacement	800,000	-	800,000	-
304	LED Replacement Modules	464,638	-	464,638	-
304	Traffic Signal Supplies	12,668,418	4,580,343	8,088,075	1,474,227
324	ATP 4 SRTS Project Expediting	852,625	-	852,625	-
390	L.A. Al Fresco	837,266	-	837,266	18,544
450	Tweedy Blvd over the Alameda Corridor Transportation Authority (ACTA) Bridge	14,000	-	14,000	-
450	Matching Funds - Measure R Projects/LRPT/30-10	12,521,758	12,521,758	-	-
590	Vision Zero Education and Outreach	3,469,099	417,798	3,051,301	1,171,557
640	Overhead	9,079,329	3,176,593	5,902,736	2,204,975
640	Personnel	145,435	142,967	2,468	145,633
640	Office Supplies	1,631	-	1,631	48,369
640	City Administrative Officer	78,364	56,845	21,519	-
705	Alley Paving	1,100,000	100,000	1,000,000	786,002
705	Concrete Streets	2,623,230	1,253,196	1,370,034	878,817
705	Maxella Ave/Lincoln Blvd	245,657	-	245,657	
705	Paint and Sign Maintenance	1,591,454	1,267,552	323,902	17,789
705	Sheldon Arleta Sidewalk Improvement - Wicks Street	535,135	219,740	315,395	637,696
705	Pacoima Wash Vision Plan	300,000	-	300,000	-
705	Metro Crenshaw Line Sidewalk Project	1,335,652	-	1,335,652	8,026
705	Chatsworth Sinkhole Repair	500,000	-	500,000	-
	Subtotal	$ 55,063,691	$ 24,355,119	$ 30,708,572	$ 7,593,991

(Continued)

See accompanying independent auditor's report.

CITY OF LOS ANGELES
MEASURE M 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)
(Continued)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
705	Mulholland Drive Storm Response	$ 286,468	$ -	$ 286,468	$ 1,875
705	Crescent Drive (8904) Storm Response	-	-	-	60,401
705	North Escobedo Drive (5159) Storm Response	1,690,039	6,349	1,683,690	514,961
705	41st Dr Street Improvement Projects	438,750	-	438,750	-
705	67th St Street Improvement Project	438,750	-	438,750	-
705	Bridge Repair and Maintenance	3,500,000	758,957	2,741,043	-
705	West Jefferson Blvd (4521)-Bus Pad and Street Improvements	142,906	-	142,906	-
705	Cimarron Street East Alley Reconstruction	274,147	-	274,147	-
710	Balboa Widening at Devonshire Street	714,040	96,260	617,780	11,654
710	Burbank Blvd-Lankershim Blvd to Cleon Ave	2,200,511	-	2,200,511	-
710	Widening San Fernando Road at Balboa Road	282,698	500	282,198	-
715	Reimagine Ventura Blvd - Phase 2	975,665	147,688	827,977	24,335
720	Street Lighting Improvements on DOT New & Modified Signals	500,000	3,129	496,871	-
720	Gage Street Public Safety Median Improvements	1,444,656	569,310	875,346	294,158
720	Speed Hump Program	2,964,741	456,852	2,507,889	59,378
720	Sunset Blvd Slope Mitigation - Coronado to Waterloo, Phase 1	144,061	-	144,061	-
720	Venice Beach Ocean Front Walk Crash Barriers and Bollards	4,718	-	4,718	70,503
720	Vision Zero Corridor Projects - M	24,862,578	2,089,314	22,773,264	2,789,663
720	Vision Zero Traffic Signals	28,939	8,939	20,000	-
720	Bedel Street	67,197	5,587	61,610	82,747
720	Glenoaks (10810) Slope Mitigation	390,529	-	390,529	-
	Subtotal	$ 41,351,393	$ 4,142,885	$ 37,208,508	$ 3,909,675

(Continued)

See accompanying independent auditor's report.

CITY OF LOS ANGELES
MEASURE M 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)
(Continued)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
720	Los Angeles Neighborhood Initiative - Westlake Transit	$ 471,000	$ -	$ 471,000	$ -
720	Vision Zero Mid-Block Crosswalk Illumination Improvement Plan	700,000	12,817	687,183	-
730	AHSC 3-Elden Elms and Path Villas	273,049	-	273,049	22,212
730	DOT Equipment - Traffic Signals	17,739	-	17,739	-
730	Street Reconstruction/Vision Zero Projects	4,184,951	2,094	4,182,857	166,877
730	Complete Streets	3,719,132	66,934	3,652,198	3,377,861
730	General Services	79,071	49,993	29,078	43,790
730	Reimbursement of General Fund Costs[(a)]	30,264,432	12,607,521	17,656,911	10,370,853
730	Transportation[(b)]	12,858,914	11,250,770	1,608,144	6,766,771
730	Bureau of Contract Administration	2,297,702	731,029	1,566,673	358,678
730	Bureau of Engineering	2,385,224	554,267	1,830,957	1,695,653
730	Bureau of Street Lighting	1,644,405	463,672	1,180,733	552,300
730	Bureau of Street Services	6,098,255	2,737,552	3,360,703	12,911,349
730	Vision Zero Treatment Maintenance	1,085,050	835,363	249,687	263,982
740	Plummer/Natick Crosswalk	250,000	-	250,000	-
755	Median Island Maintenance	5,231,798	1,908,044	3,323,754	1,564,706
760	School Speed Limit Updates	750,000	619,057	130,943	-
780	Transportation Technology Strategy	1,742,105	-	1,742,105	2,978
780	Traffic Software Upgrades, Integrations, and Support	130,000	-	130,000	-
780	Traffic Studies	2,227,485	92,132	2,135,353	59,613
	Subtotal	$ 76,410,312	$ 31,931,245	$ 44,479,067	$ 38,157,623

(Continued)

Notes:

(a) This is primarily related to the indirect/related costs (i.e., Central Services, fringe benefits, etc.) incurred for the Complete Street Projects and are reimbursed to the General Fund.

(b) This is primarily related to the labor costs incurred for various street safety improvements.

See accompanying independent auditor's report.

CITY OF LOS ANGELES

MEASURE M 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)
(Continued)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
780	Contractual Services-Support	$ 1,897,778	$ 371,443	$ 1,526,335	$ 352,222
780	Camarillo Street Traffic Study	100,000	-	100,000	-
780	Engineering Special Services	-	-	-	61,000
780	Vision Zero Independent Program Evaluation	132,021	-	132,021	367,086
780	Contingency	1,266,021	-	1,266,021	-
780	Asset Management - Transportation	200,000	-	200,000	-
805	Cypress Park Pedestrian Bridge	200,000	-	200,000	-
805	Telfair Avenue Multimodal Bridge Over Pacoima Wash	355,382	142,227	213,155	5,648
805	Street Lighting at Existing Pedestrian Crosswalks	649,367	22,219	627,148	29,170
805	Elysian Valley Bike Path	848,225	-	848,225	-
805	Electric Vehicle Charging Infrastructure	3,000,000	-	3,000,000	-
805	Los Angeles River Bike Path Repair near Ferraro Fields	500,914	-	500,914	895,596
805	North Atwater Multimodal Bridge Over Los Angeles River	693,313	-	693,313	2,773,253
805	Rail to Rail (R2R) Project	4,158,223	1,535,952	2,622,271	91,777
805	San Fernando Phase III Bike Path	582,566	36,179	546,387	1,492,036
805	LA River Way-San Fernando Valley Completion Project	5,300,972	21,902	5,279,070	38,028
806	City of Los Angeles Bridge Rail Replacement Project	800,000	615,773	184,227	-
806	Bicycle Path Maintenance	1,300,000	7,959	1,292,041	-
806	Bikeway General Maintenance	300,000	-	300,000	-
806	Glendale Clinton Staircase	380,000	-	380,000	-
806	Sunnynook Pedestrian Bridge	400,000	-	400,000	-
820	MLK Streetscape	248,619	12,779	235,840	-
	Subtotal	$ 23,313,401	$ 2,766,433	$ 20,546,968	$ 6,105,816

(Continued)

See accompanying independent auditor's report.

CITY OF LOS ANGELES

MEASURE M 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)
(Continued)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Favorable (Unfavorable)	2024 Actual
820	Broadway Streetscape 4th to 6th	$ 3,017,991	$ -	$ 3,017,991	$ -
820	Venice Boulevard Great Streets Enhancements	115,006	35,557	79,449	247,943
820	Curb Ramp Design at Marked Uncontrolled Crosswalks	1,500,000	-	1,500,000	-
820	Flashing Beacons or Traffic Control Devices at Uncontrolled Crosswalks	10,000,000	1,000	9,999,000	-
820	Pedestrian Safety Improvement Project	492,000	-	492,000	-
820	Sidewalk Access Request Acceleration	16,427,355	188,622	16,238,733	-
820	LADOT Access Ramp Design for Traffic Signals and Uncontrolled Crosswalks	1,500,000	-	1,500,000	-
820	PPP Access Ramps	125,508	-	125,508	-
825	Bikeshare Operations and Maintenance	3,033,030	-	3,033,030	-
881	Active Transportation Program Project Funding Gaps	3,415,557	338,124	3,077,433	153,974
890	Open Streets Program	4,867,267	2,112,317	2,754,950	1,620,201
890	Bicycle Plan/Program	893,374	-	893,374	-
890	Slow Streets Program	72,072	-	72,072	6,446
890	Community First Engagement	1,000,000	-	1,000,000	-
	Subtotal	46,459,160	2,675,620	43,783,540	2,028,564
	Total expenditures	$ 242,597,957	$ 65,871,302	$ 176,726,655	$ 57,795,669

See accompanying independent auditor's report.

CITY OF LOS ANGELES

MEASURE M LOCAL RETURN FUND

SUPPLEMENTARY INFORMATION

SCHEDULE OF CAPITAL ASSETS

June 30, 2025

Date Acquired	Description	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
4/9/2018	Paver	$ 574,152	$ -	$ -	$ 574,152
4/9/2018	Paver	574,152	-	-	574,152
7/1/2018	Roller	89,504	-	-	89,504
7/1/2018	Roller	89,963	-	-	89,963
8/3/2018	Husqvama Saw and Water Pump x2	74,275	-	-	74,275
9/20/2018	Rollers and Profilers	1,672,984	-	-	1,672,984
9/20/2018	Rollers and Profilers	1,113,448	-	-	1,113,448
8/21/2018	Toyota Prius	28,098	-	-	28,098
6/27/2019	Ford Transit Connect Van	48,116	-	-	48,116
3/6/2020	Ford F750	337,408	-	-	337,408
3/6/2020	Ford F750	337,408	-	-	337,408
4/30/2020	GMS Sierra x4	182,260	-	-	182,260
10/28/2019	Street Sweeper	420,368	-	-	420,368
10/28/2019	Street Sweeper	420,368	-	-	420,368
11/4/2019	Ford F250 x2	74,951	-	-	74,951
11/19/2020	Thermoplastic Long Line Striper	686,313	-	-	686,313
11/19/2020	Thermoplastic Long Line Striper	686,313	-	-	686,313
9/29/2020	Truck, Aerial Lift Articulated	130,548	-	-	130,548
9/29/2020	Truck, Aerial Lift Articulated	130,548	-	-	130,548
11/18/2020	Paint Shaker	12,116	-	-	12,116
4/19/2024	Dell Latitude 5550 Laptop x13	24,184	-	-	24,184
5/7/2024	Dell Latitude 5550 Laptop x13	24,185	-	-	24,185
4/11/2025	Heater x2	-	17,684	-	17,684
5/20/2025	Portable Generator x12	-	33,457	-	33,457
	Total	$ 7,731,662	$ 51,141	$ -	$ 7,782,803

See accompanying independent auditor's report.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The operations of the Measure R Local Return Fund (MRLRF) and Measure M Local Return Fund (MMLRF) (collectively, the Funds) are accounted for in separate sets of self-balancing accounts that comprise their assets, liabilities, fund balance, revenues, and expenditures.

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.

Basis of Accounting and Measurement Focus

MRLRF and MMLRF 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 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. Statement of revenue, expenditures and changes in fund balance for Special Revenue Funds generally presents increases (revenue 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, 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 the City's 2025 Annual Comprehensive Financial Report (ACFR) for detailed disclosures regarding the City's investment policy and fair value measurement.

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 MRLRF and MMLRF report 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 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 ACFR.

NOTE 2 – ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the MRLRF and MMLRF and their compliance with the Measure R Local Return Program Guidelines and Measure M Local Return Program Guidelines.

NOTE 3 – 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 4 – 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 5 – CASH AND INVESTMENTS

The MRLRF and MMLRF'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 quarterly balances to the total of the pooled cash and investments.

NOTE 6 – SECURITIES LENDING TRANSACTIONS

The MRLRF and MMLRF participate in the City's securities lending program (SLP), through the period investment fund. Each fund recognizes its proportionate share of the cash collateral received for securities loaned and the related obligation for the general investment pool.

Please refer to the City's ACFR for a full description of risk relating to securities lending transactions.

NOTE 7 – DUE FROM/TO OTHER FUNDS

Inter-fund due to/from amounts as of June 30, 2025 and 2024 consisted of the following:

MRLRF

	2025		2024	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
General Fund	$ 6,949,985	$ 4,198,153	$ 3,499,485	$ 1,052,202
Transportation Grant Funds	7,670,918	1,593	7,820,918	-
Total	$ 14,620,903	$ 4,199,746	$ 11,320,403	$ 1,052,202

MMLRF

	2025		2024	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Reserve Fund	$ -	$ 1,259,055	$ -	$ 1,664,264
General Fund	4,470,661	4,271,365	4,528,416	17,166
Public Works Fund	-	20,078	-	7,979
Total	$ 4,470,661	$ 5,550,498	$ 4,528,416	$ 1,689,409

NOTE 8 – OTHER LIABILITIES

The other liabilities as of June 30, 2025 and 2024 consisted of the following:

MRLRF

	2025	2024
Investment at trade date	$ 583,281	$ 625,210
Total other liabilities	$ 583,281	$ 625,210

MMLRF

	2025	2024
Use tax payable	$ 11,174	$ 1,943
Investment at trade date	1,554,592	1,281,075
Total other liabilities	$ 1,565,766	$ 1,283,018

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

The deferred inflows of resources as of June 30, 2025 and 2024 consisted of the following:

MRLRF

	2025	2024
LA Streetcar	$ 6,046	$ 6,046
Metro	5,210,408	-
Interest allocation	268,519	129,151
Total deferred inflows of resources	$ 5,484,973	$ 135,197

MMLRF

	2025	2024
Metro	$ 6,567,857	$ 67,475
Interest allocation	301,989	985,167
Total deferred inflows of resources	$ 6,869,846	$ 1,052,642

NOTE 10 – TRANSFERS IN/(OUT)

For the fiscal year ended June 30, 2025, the following summarizes the interfund transfers:

Transfer In Fund	Transfer Out Fund	Project	Amount
MMLRF	General Fund	Rail to Rail Project	$ 2,100,000
		Total	$ 2,100,000

For the fiscal year ended June 30, 2024, there were no interfund transfers.

NOTE 11 – OPEN STREETS GRANT PROGRAM - MMLRF

The revenues for the Open Streets Grant Program for the fiscal years ended June 30, 2025 and 2024 consisted of the following:

Fiscal Year 2025

Metro Board Approved Date	Event Title	Open Street Grant Program ID		Total Revenue
10/13/2024	Heart of LA 2024	CYC2407	$	324,063
8/18/2024	Meet the Hollywood 2024	CYC2406		240,000
6/23/2024	South LA – Western Ave	CYC2411		298,463
4/21/2024	Venice Blvd	CYC2403		340,063
		Total	$	1,202,589

Fiscal Year 2024

Metro Board Approved Date	Event Title	Open Street Grant Program ID		Total Revenue
12/03/2023	South LA 2023	CYC2107	$	351,676
10/15/2023	Heart of LA 2023	CYC2109		357,850
8/20/2023	Korea Town to Hollywood	CYC2113		117,805
6/18/2023	South LA – Vermont Ave	CYC2103		354,754
5/21/2023	Watt Neighborhood	CYC2104		150,000
4/16/2023	Mid City 2023	CYC2115		274,440
12/4/2022	South LA 2022	CYC2117		294,700
		Total	$	1,901,225

NOTE 12 – PROJECT REIMBURSEMENTS – MRLRF AND MMLRF

Project reimbursements under MRLRF and MMLRF for the years ended June 30, 2025 and 2024 consisted of the following:

MRLRF		2025		2024
Exposition Metro Line Construction Authority	$	4,200,000	$	-
Metrolink - San Fernando Road Bike Path Phase III		-		15,216
Metro – NextGen Bus Only Lanes		860,812		-
Total	$	5,060,812	$	15,216

NOTE 12 – PROJECT REIMBURSEMENTS – MRLRF AND MMLRF (Continued)

MMLRF	2025	2024
7th Street Improvement	$ 78,780	$ -
Affordable Housing and Sustainable Communities (AHSC) Round 3 Path Villas Hollywood	22,212	-
Metro – NextGen Bus Only Lanes	17,397	385,000
Seventh Street Streetscape Stage 4A and 4B	-	55,807
Total	$ 118,389	$ 440,807

NOTE 13 – SUBSEQUENT EVENTS

The City has evaluated events or transactions that occurred subsequent to June 30, 2025 through December 30, 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
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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 Los Angeles, California 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 Measure R Local Return Fund and the Measure M Local Return Fund (collectively, the Funds) of the City of Los Angeles, California (the City), as of and for the year ended June 30, 2025, and the related notes to the Funds' financial statements, and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Funds' financial statements, we considered the City's internal control over the Funds' 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Funds' 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.

Simpson & Simpson

Los Angeles, California
December 30, 2025

COMPLIANCE SECTION

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

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

Report on Compliance

Opinion

We have audited the City of Los Angeles, California's (the City) compliance with the Measure R Local Return Guidelines and the Measure M Local Return Guidelines (collectively, the Guidelines) for the year ended June 30, 2025.

In our opinion, the City of Los Angeles, California 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 the City 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 Guidelines. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for the City'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 the City's Measure R Local Return Program and Measure M 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 the City'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 the City'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 the City'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 the City'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 the City'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.

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.

Simpson & Simpson

Los Angeles, California
December 30, 2025

CITY OF LOS ANGELES
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. Measure R Local Return Fund						
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 reimbursed 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	There were no Measure R funds, given, loaned, or exchanged in FY24/25.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no capital reserve funds in FY24/25.

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
A. Measure R Local Return Fund						
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	There was no recreational transit in FY24/25.
15.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY24/25.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

CITY OF LOS ANGELES
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		
B. Measure M Local Return Fund						
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.	Annual Expenditure Report (Form M-Two or electronic equivalent) was submitted on time.	X			None	
10.	Where funds expended were reimbursed 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	There were no Measure M funds given, loaned, or exchanged in FY24/25.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no capital reserve funds in FY24/25.

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
B. Measure M Local Return Fund						
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	There was no recreational transit in FY24/25.
15.	Fund exchanges (trades, loans, or gifts) were approved by Metro.			X	None	There were no fund exchanges in FY24/25.
16.	Accounting procedures, record keeping, and documentation are adequate.	X			None	

No findings were noted.

EXIT CONFERENCE

CITY OF LOS ANGELES
MEASURE R AND MEASURE M LOCAL RETURN FUNDS
EXIT CONFERENCE
June 30, 2025

An exit conference was held on December 30, 2025 with the City of Los Angeles. Those in attendance were:

Simpson & Simpson Representative:

Mark Frishwasser, Audit Supervisor
Tian Bian, Audit Senior
Jun Ma, Audit Senior

City's Representative:

Sue Chen, Department Chief Accountant IV
Jonathan Lintag, Fiscal Systems Specialist II
Michelle Cho Ma, Principal Accountant II

Matters Discussed:

Results of the audit disclosed no significant control deficiency and no non-compliance issue 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:

Sue Chen, Department Chief Accountant IV
Jonathan Lintag, Fiscal Systems Specialist II
Michelle Cho Ma, Principal Accountant II

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

RE: CITY OF LOS ANGELES ANNUAL FINANCIAL REPORT OF THE MEASURE R LOCAL RETURN FUND AND MEASURE M LOCAL RETURN FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

I have received the annual financial report of the Measure R Local Return Fund and Measure M Local Return Fund for the years ended June 30, 2025 and 2024 for the City of Los Angeles and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

____
Name

____
Title

____
Date