City of Huntington Park
Annual Financial Report of its

Proposition A Local Return Fund
Proposition C Local Return Fund
Measure R Local Return Fund
Measure M Local Return Fund
Transportation Development Act Article 3 Fund

As of and for the Years Ended June 30, 2025 and 2024
With Independent Auditor's Report

FINANCIAL SECTION

655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
OFFICE

\ LOS ANGELES
\ SAN DIEGO
\ IRVINE
\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Qualified Opinions

We have audited the accompanying financial statements of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Huntington Park, California (the City) which comprise the Funds' balance sheets as of June 30, 2025 and 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinions paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Huntington Park, 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 Qualified Opinions

As described in Note 13, the City has made adjustments to the beginning fund balances of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund for expenditures reported and not reported, interest income, project reimbursements, project generated revenues and other funding sources reported in those funds in prior years. The adjustments resulted from the audit of the City's 2024 financial statements. However, the 2024 balances for these funds had not yet been fully reconciled with the City's published 2024 audited financial reports. As of the date of this report, the audit of the City's financial statements for the fiscal year 2025 remains in progress. Accordingly, we were unable to determine whether further adjustments would be necessary as a result of the audit being conducted on the City's financial statements.

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 Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund of the City of Huntington Park, California, and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Further, as discussed in Note 13, the City has made adjustments to the beginning fund balances of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund for expenditures reported and not reported, interest income, project reimbursements, project generated revenues and other funding sources in those funds in prior years. 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 basic 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' basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the Funds' basic 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' basic financial statements or to the Funds' basic 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' basic 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 31, 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.

Vasquez & Company LLP

Glendale, California
December 31, 2025

	June 30	
	2025	(as restated) 2024
ASSETS		
Cash and investments	**$ 1,640,137**	$ 1,611,114
Accounts receivable	**-**	133
Total assets	**$ 1,640,137**	$ 1,611,247
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 2,893**	$ -
Accrued expense	**38,880**	101,136
Accrued payroll	**927**	1,735
Retainer payable	**1,200**	-
Due to General Fund	**13,161**	-
Total liabilities	**57,061**	102,871
Fund balance		
Restricted	**1,583,076**	1,508,376
Total fund balance	**1,583,076**	1,508,376
Total liabilities and fund balance	**$ 1,640,137**	$ 1,611,247

See independent auditor's report and notes to Funds financial statements.

		2025		(as restated) 2024
Revenues				
Proposition A	**$**	**1,398,025**	$	1,430,347
Interest income		**61,546**		50,396
Fuel reimbursement - Metro Transit Services		**53,765**		81,907
Project generated revenues (Note 9)		**24,172**		20,209
Proposition A Discretionary Incentive Program Grant (Note 8)		**-**		556,880
Miscellaneous revenue		**112**		-
Total revenues		**1,537,620**		2,139,739
Expenditures				
Expenditures funded by Proposition A		**1,462,920**		1,494,074
Total expenditures		**1,462,920**		1,494,074
Excess of revenues over expenditures		**74,700**		645,665
Fund balance at beginning of year		**1,508,376**		862,711
Fund balance at end of year	**$**	**1,583,076**	$	1,508,376

See independent auditor's report and notes to Funds financial statements.

City of Huntington Park
Proposition A Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2025
(With Comparative Actuals for 2024)

		2025			
Project Code	**Project Name**	**Metro Budget**	**Actual**	**Variance Positive (Negative)**	**2024 Actual**
105	Fixed Route Public Transit Services	$ 548,443	$ 490,772	$ 57,671	$ 456,731
105	Fuel for Fixed Route and Dial-A-Ride	20,000	41,735 *	(21,735)	24,000
106	Shuttle Maintenance	141,945	68,345	73,600	111,856
107	General Public Paratransit Dial-A-Ride	840,470	803,097	37,373	830,200
135	User Side Subsidy (Elderly/Handicapped)	-	2,044 *	(2,044)	9,532
155	Special Event Transit	-	8,901 *	(8,901)	3,364
610	Administration Prop A	56,655	48,026	8,629	58,391
	Total expenditures	$ 1,607,513	$ 1,462,920	$ 144,593	$ 1,494,074

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

Schedule of Capital Assets
Year ended June 30, 2025

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
6/30/2000	Fargo Quatro I.D.	$ 4,435	$ -	$ -	$ 4,435
7/17/2003	2005 Chevrolet 15-Passenger Express Van	27,929	-	-	27,929
7/28/2003	Chevrolet Van Unit #195	645	-	-	645
7/30/2008	El Dorado Elite 270	610,512	-	-	610,512
6/14/2010	Ford E-350 Paratransit bus	53,131	-	-	53,131
6/15/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
6/16/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
6/17/2010	Ford E-350 Paratransit bus	60,578	-	-	60,578
2/16/2016	Starcraft Allstar Bus	252,908	-	-	252,908
	Total	$ 1,131,294	$ -	$ -	$ 1,131,294

	June 30	
	2025	(as restated) 2024
ASSETS		
Cash and investments	**$ 2,630,847**	$ 2,102,798
Due from Metro	**-**	93,191
Total assets	**$ 2,630,847**	$ 2,195,989
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 22,602**	$ -
Accrued expense	**38,880**	67,424
Accrued payroll	**1,407**	3,601
Retainer payable	**1,201**	-
Total liabilities	**64,090**	71,025
Fund balance		
Restricted	**2,566,757**	2,124,964
Total fund balance	**2,566,757**	2,124,964
Total liabilities and fund balance	**$ 2,630,847**	$ 2,195,989

See independent auditor's report and notes to Funds financial statements.

		Years ended June 30	
			(as restated)
		2025	2024
Revenues			
Proposition C		**$ 1,159,626**	$ 1,186,439
Interest income		**95,010**	65,777
	Total revenues	**1,254,636**	1,252,216
Expenditures			
Expenditures funded by Proposition C		**812,843**	806,387
	Total expenditures	**812,843**	806,387
Excess of revenues over expenditures		**441,793**	445,829
Fund balance at beginning of year		**2,124,964**	1,679,135
Fund balance at end of year		**$ 2,566,757**	$ 2,124,964

See independent auditor's report and notes to Funds financial statements.

Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2025
(With Comparative Actuals for 2024)

Project Code	Project Name	2025 Metro Budget	2025 Actual	2025 Variance Positive (Negative)	2024 Actual
105	Fixed Route Public Transit Services	$ 365,628	$ 415,894	$ (50,266)	$ 456,731
107	Fuel for Fixed Route & Dial-A-Ride	20,000	41,735 *	(21,735)	24,000
170	Bus Shelter Maintenance Program	-	285,310 *	(285,310)	232,696
620	Administration Prop C	89,359	69,904	19,455	92,960
	Total expenditures	$ 474,987	$ 812,843	$ (337,856)	$ 806,387

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
1/01/2002	Bus Shelter Improvement	$ 127,166	$ -	$ -	$ 127,166
8/31/2005	Santa Fe Resurfacing	29,907	-	-	29,907
6/19/2018	Parking Pay Stations	120,000	-	-	120,000
	Total	$ 277,073	$ -	$ -	$ 277,073

See independent auditor's report.

		June 30		
				(as restated)
		2025		2024
ASSETS				
Cash and investments	**$**	**-**	$	2,034,438
Accounts receivable		**59,860**		93,773
Total assets	**$**	**59,860**	$	2,128,211
LIABILITIES AND FUND BALANCE (DEFICIT)				
Liabilities				
Accounts payable	**$**	**117,826**	$	14,281
Accrued expenses		**25,380**		84,280
Retainer payable		**7,538**		6,337
Accrued payroll		**435**		1,543
Due to General Fund		**695,057**		-
Unearned revenue		**-**		1,592,546
Total liabilities		**846,236**		1,698,987
Fund balance (deficit)				
Restricted		**(786,376)**		429,224
Total fund balance (deficit)		**(786,376)**		429,224
Total liabilities and fund balance (deficit)	**$**	**59,860**	$	2,128,211

	Years ended June 30	
	2025	(as restated) 2024
Revenues		
Measure R	**$ 869,559**	$ 889,551
Measure R Highway Program grant (Note 10)	**4,839,424**	505,429
Interest income	**79,409**	54,145
Total revenues	**5,788,392**	1,449,125
Expenditures		
Expenditures funded by Measure R	**727,954**	891,595
Expenditures funded by Measure R Highway grant (Note 10)	**6,276,038**	1,100,753
Total expenditures	**7,003,992**	1,992,348
Deficiency of revenues over expenditures	**(1,215,600)**	(543,223)
Fund balance at beginning of year	**429,224**	972,447
Fund balance (deficit) at end of year	**$ (786,376)**	$ 429,224

Schedule of Expenditures – Actual and Metro Approved Project Budget Year ended June 30, 2025 (With Comparative Actuals for 2024)

Project Code	Project Name	2025 Metro Budget	2025 Actual		2025 Variance Positive (Negative)	(as restated) 2024 Actual
125	Fixed Route Transit	$ 457,035	$ 362,160		$ 94,875	$ 457,644
125	Metro Transit Fuel and Oil	20,000	41,735		(21,735)	84,612
630	Fund Administration (20% cap)	33,515	24,059		9,456	35,058
780	Engineering Administration	-	300,000	*	(300,000)	314,281
	Total expenditures	$ 510,550	$ 727,954		$ (217,404)	$ 891,595

* See Compliance Matrix and Schedule of Findings and Questioned Costs.

City of Huntington Park
Measure R Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2025

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
10/09/2014	Samsung LED Sign	$ 6,450	$ -	$ -	$ 6,450
01/25/2018	Pacific Blvd Lighting & Beautification	18,000	-	-	18,000
03/16/2018	Middleton SR2S	52,654	-	-	52,654
07/03/2018	Pacific Blvd Lighting & Beautification	13,556	-	-	13,556
07/03/2018	Pacific Blvd Lighting & Beautification	9,022	-	-	9,022
07/31/2018	Pacific Blvd Lighting & Beautification	6,149	-	-	6,149
09/04/2018	Pacific Blvd Lighting & Beautification	5,184	-	-	5,184
02/05/2019	Downtown i-Park System	22,924	-	-	22,924
02/14/2019	Pacific Blvd Project	110,561	-	-	110,561
02/21/2019	Street Improvement Project	36,322	-	-	36,322
04/02/2019	Downtown i-Park System	39,632	-	-	39,632
04/02/2019	Construction Mgmt Pacific Blvd Project	35,834	-	-	35,834
04/17/2019	Street Improvement Project	686,758	-	-	686,758
06/30/2019	Safety Enhancement Improvement ATP Cycle 2	58,249	-	-	58,249
	Total	$ 1,101,295	$ -	$ -	$ 1,101,295

See independent auditor’s report.

	June 30	
	2025	(as restated) 2024
ASSETS		
Cash and investments	**$ 5,498,206**	$ 4,387,413
Accounts receivable	**88,563**	79,474
Total assets	**$ 5,586,769**	$ 4,466,887
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ -**	$ 57,570
Total liabilities	**-**	57,570
Fund balance		
Restricted	**5,586,769**	4,409,317
Total fund balance	**5,586,769**	4,409,317
Total liabilities and fund balance	**$ 5,586,769**	$ 4,466,887

See independent auditor's report and notes to Funds financial statements.

	Years ended June 30	
	2025	(as restated) 2024
Revenues		
Measure M	**$ 985,181**	$ 1,004,493
Interest income	**194,743**	137,242
Total revenues	**1,179,924**	1,141,735
Expenditures		
Various projects	**2,472**	553,883
Total expenditures	**2,472**	553,883
Excess of revenues over expenditures	**1,177,452**	587,852
Fund balance at beginning of year	**4,409,317**	3,821,465
Fund balance at end of year	**$ 5,586,769**	$ 4,409,317

See independent auditor’s report and notes to Funds financial statements.

City of Huntington Park
Measure M Local Return Fund
Supplementary Information
Schedule of Expenditures – Actual and Metro Approved Project Budget
Year ended June 30, 2025
(With Comparative Actuals for 2024)

Project Code	Project Name	2025 Metro Budget	2025 Actual	2025 Variance Positive (Negative)	2024 Actual
780	CIP 2022-11	$ 524,500	$ 2,472	$ 522,028	$ -
780	Randolph Street Design, Speed Survey and MAT Project	-	-	-	215,166
820	ATP Cycle IV	-	-	-	338,717
	Total expenditures	$ 524,500	$ 2,472	$ 522,028	$ 553,883

See independent auditor's report.

City of Huntington Park
Measure M Local Return Fund
Supplementary Information
Schedule of Capital Assets
Year ended June 30, 2025

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
6/7/2019	2018-19 Various street paving project	$ 819,475	$ -	$ -	$ 819,475
	Total	$ 819,475	$ -	$ -	$ 819,475

See independent auditor's report.

Balance Sheets

	June 30	
	2025	(as restated) 2024
ASSETS		
Cash and investments	**$ 221,463**	$ 212,870
Total assets	**$ 221,463**	$ 212,870
FUND BALANCE		
Restricted	**$ 221,463**	$ 212,870
Total fund balance	**$ 221,463**	$ 212,870

See independent auditor's report and notes to Funds financial statements.

Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2025	(as restated) 2024
Revenues		
Intergovernmental Allocations:		
Article 3	**$ -**	$ 209,281
Interest income	**8,593**	6,658
Total revenues	**8,593**	215,939
Expenditures		
Construction/Maintenance	**-**	3,069
Total expenditures	**-**	3,069
Excess of revenues over expenditures	**8,593**	212,870
Fund balance at beginning of year	**212,870**	-
Fund balance at end of year	**$ 221,463**	$ 212,870

See independent auditor's report and notes to Funds financial statements.

Schedule of Transportation Development Act Allocation for Specific Projects
Year ended June 30, 2025

		Totals to Date			
Project Description	**Program Year**	**Allocations**	**Expenditures**	**Unexpended Allocations**	**Project Status**
Local Allocations:					
None	2025	$ -	$ -	$ -	Not applicable
Totals		$ -	$ -	-	
Interest income				8,593	
Fund balance at beginning of year, as restated (Note 13)				212,870	
Fund balance at end of year				$ 221,463 *	

* See Compliance Matrix and Schedule of Findings and Questioned Costs

See independent auditor's report.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

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

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

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

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

Basis of Accounting and Measurement Focus

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F are reported as Special Revenue Funds of the City and are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become "susceptible to accrual", that is, measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred.

Special Revenue Funds are reported on a 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. Statements of revenues, expenditures and changes in fund balances for Special Revenue Funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Budgets and Budgetary Accounting

The budgeted amounts presented in this report for comparison to the actual amounts are based on budgets approved by Metro and are presented in accordance with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, 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 investments at fair value and recognizes unrealized gain (loss) on investments.

Refer to the City's Annual Comprehensive Financial Report (ACFR) for detailed disclosures regarding the City's investments policy and fair value measurement disclosures.

Fund Balance Reporting

Governmental Accounting Standards Board (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 the resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F report the following fund balance classification as of June 30, 2025 and 2024:

- Restricted - Amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The use of the Funds' remaining fund balances is restricted for projects approved by Metro.

Information regarding the fund balance reporting policy adopted by the City is described in the City's ACFR.

NOTE 2 ANNUAL FINANCIAL STATEMENTS

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF and TDAA3F, and do not purport to, and do not present fairly the City's financial position as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

NOTE 3 PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

The Proposition A Ordinance requires that Local Return (LR) funds be used exclusively to benefit public transit. Expenditures related to fixed route and paratransit services, Transportation Demand Management, Transportation Systems Management and fare subsidy programs that exclusively benefit transit are all eligible uses of Proposition A LR funds. Proposition A LR funds may also be traded with other Jurisdictions in exchange for general or other funds.

The Proposition C Ordinance directs that LR funds also be used to benefit public transit, as described above, but provides an expanded list of eligible project expenditures including Congestion Management Programs, bikeways and bike lanes, street improvements supporting public transit service, and Pavement Management System projects. Proposition C LR funds cannot be traded.

Proposition A and Proposition C LR funds must be expended within three years of the last day of the fiscal year in which funds were originally allocated.

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

NOTE 4 MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

The Measure R Ordinance specifies that LR funds be used exclusively for transportation purposes.

Measure R LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

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

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Los Angeles County Traffic Improvement Plan Ordinance approved by the Metro Board of Directors on June 23, 2016. The Measure M Ordinance specifies that LR funds be used exclusively for transportation purposes.

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

Measure M LR funds must be expended within five years of the first day of the fiscal year in which funds were originally allocated or received.

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

NOTE 6 TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 CASH AND INVESTMENTS

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F cash balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash 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.

Please refer to the ACFR for a full description of risks relating to cash and investments.

NOTE 8 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANT

The City entered into various Memorandum of Understanding (MOUs) agreements with Metro to receive Proposition A Discretionary Incentive Program grant for participating in the National Transit Database (NTD) Voluntary Reporting. The amounts received for the years ended June 30, 2025 and 2024, consisted of the following:

Agreement Date	Program Year	MOU Amount	Amounts Received **2025**	Amounts Received 2024
5/1/2021	FY 2018/19	$ 159,828	**$ -**	$ 159,828
5/1/2022	FY 2019/20	188,424	**-**	188,424
5/1/2023	FY 2020/21	208,628	**-**	208,628
			$ -	$ 556,880

NOTE 9 PROJECT GENERATED REVENUES – PALRF

Project generated revenues under PALRF for the years ended June 30, 2025 and 2024 consisted of the following:

		2025		2024
Dial-A-Ride fares	**$**	**1,040**	$	1,015
Fixed route fares		**14,379**		15,884
Metro bus pass sales		**8,753**		3,310
	$	**24,172**	$	20,209

NOTE 10 MEASURE R HIGHWAY PROGRAM GRANT

On May 1, 2019, the City entered into a funding agreement (Agreement) with Metro for Slauson Avenue Congestion Relief Improvements Project, Metro Project ID# MR306.53 and FTIP# LA0G1669 (the Project). Metro's Board of Directors granted the Measure R funds in the amount of $700,000 for the project. On July 25, 2024, LACMTA approved the total new project budget of $9,400,000. The funds will be released to the City on a reimbursement basis in accordance with invoices submitted in support of the monthly progress report and the quarterly expenditure report submitted to Metro a few days after the close of each quarter.

The City recognized $4,839,424 and $505,429 of reimbursement during the years ended June 30, 2025 and 2024, respectively. Meanwhile, $6,276,038 and $1,100,753 of expenditures were incurred for this project during the years ended June 30, 2025 and 2024, respectively.

NOTE 11 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the years ended June 30, 2025 and 2024 consisted of the following:

		2025		2024
FY 2018/19 allocation	**$**	**-**	$	34,155
FY 2019/20 allocation		**-**		42,955
FY 2020/21 allocation		**-**		33,085
FY 2021/22 allocation		**-**		43,597
FY 2022/23 allocation		**-**		55,489
	$	**-**	$	209,281

NOTE 12 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED

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

As of June 30, 2025 and 2024, the City has funds on reserve as follows:

		2025		2024
FY 2023/24 allocation	**$**	**63,114**	$	63,114
FY 2024/25 allocation		**54,718**		-
Total reserve	**$**	**117,832**	$	272,395

For FY 2024/25, any TDA Article 3 funds left on reserve for FY 2020/21 or prior, are subject to lapse if not claimed and used by the City by June 30, 2025. The remaining unexpended and unencumbered fund balance of the City includes lapsed funds from fiscal years 2019, 2020 and 2021 totaling $107,126. See Compliance Matrix and Schedule of Findings and Questioned Costs.

NOTE 13 RESTATEMENT OF 2024 FUND FINANCIAL STATEMENTS

The 2024 financial statements were restated to adjust the beginning fund balances of PALRF, PCLRF, MRLRF, MMLRF and TDAA3F and the related accounts.

Adjustments were made to record the 2024 allocation of interest income to PALRF, PCLRF, MMLRF and TDAA3F.

Adjustments were made on MRLRF to record additional expenditures for projects funded by Measure R and Measure R Highway Program Grant, and record additional revenue from Measure R Highway Program Grant.

PALRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	$ 1,560,718	$ 50,396	$ 1,611,114
Interest income	-	50,396	50,396
Fund balance	1,457,980	50,396	1,508,376

NOTE 13 RESTATEMENT OF FUND FINANCIAL STATEMENTS (CONTINUED)

PCLRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	$ 2,037,021	$ 65,777	$ 2,102,798
Interest income	-	65,777	65,777
Fund balance	2,059,187	65,777	2,124,964

MRLRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	$ 2,615,257	$ (580,819)	$ 2,034,438
Accounts payable	-	14,281	14,281
Interest income	-	54,145	54,145
Measure R Highway Program Grant	201,928	303,501	505,429
Expenditures funded by Measure R	877,314	14,281	891,595
Expenditures funded by Measure R Highway Program grant (Note 10)	162,288	938,465	1,100,753
Fund balance	1,024,324	(595,100)	429,224

MMLRF

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	$ 4,250,171	$ 137,242	$ 4,387,413
Interest income	-	137,242	137,242
Fund balance	4,272,075	137,242	4,409,317

TDAA3F

	Balance, as previously reported	Adjustment	Balance, as restated
Cash and investments	$ 206,212	$ 6,658	$ 212,870
Interest income	-	6,658	6,658
Fund balance	206,212	6,658	212,870

NOTE 14 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2025 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 31, 2025, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
OFFICE

\ LOS ANGELES
\ SAN DIEGO
\ IRVINE
\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

VASQUEZ
+ COMPANY LLP

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 Huntington Park, California and the
Los Angeles County Metropolitan Transportation 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 Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund (collectively, the Funds) of the City of Huntington Park, 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 31, 2025.

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 and therefore material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the Schedule of Findings on Internal Control Over Financial Reporting as Finding No. FS 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our 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*.

The City's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings on Internal Control over Financial Reporting. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vasquez & Company LLP

Glendale, California
December 31, 2025

Finding No. FS 2025-001: Year-end Closing Process

Criteria
Proposition A and Proposition C Local Return Guidelines Section V, Measure R Local Return Guidelines Section VII and Measure M Local Return Guidelines Section XXV state that, “It is the jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.

Condition and Context
As of the date of audit fieldwork, December 29, 2025, the City’s year-end closing process was still ongoing for the fiscal year 2025. The following critical observations have been identified:

- Cut-off procedures relating to year-end accruals were inadequate to ensure that transactions were recorded in the proper period. This resulted in the City’s adjustments that affected the prior period’s account balances.
- Certain accounts and beginning fund balances were not reconciled to the City’s published 2024 audited reports.

Accordingly, the audit of the City’s financial statements for the fiscal year 2025 remains in progress due to the ongoing clean-up and closing process.

This is a repeat finding from the prior year.

Cause and Effect
During the fiscal years 2021 through 2025, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City’s books for the fiscal year 2025 and prior years. Currently, the accounting personnel and support staff are working toward closing the books and preparing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.

Recommendation
The City should implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing these procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who is responsible for each task and the expected and actual completion dates. The timing of specific procedures should be coordinated with management’s or the auditor’s need for the related information. These reconciliations will help ensure that the financial statements are updated and provided to users on a timely basis.

We further recommend the City to maintain a separate bank account for its local return funds. This will also help in monitoring and tracking the activities and balances of local return funds.

Views of Responsible Officials
The City is in the process of catching up on accounting processes that were not completed due to staff turnover and other factors. The new management team in the Finance and Accounting Department is implementing procedures to ensure that monthly and annual year-end closing processes are well documented and completed on time.

COMPLIANCE SECTION

655 N. Central Avenue
Suite 1550
Glendale, CA 91203

www.vasquez.cpa

213-873-1700
OFFICE

\ LOS ANGELES
\ SAN DIEGO
\ IRVINE
\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

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

Report on Compliance

Opinion

We have audited the City of Huntington Park, California's (the City) compliance with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Measure M Local Return Guidelines, Transportation Development Act Article 3, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds (collectively, the Guidelines) for the year ended June 30, 2025.

In our opinion, the City of Huntington Park, 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.

Responsibilities 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, statutes, regulations, rules, and provisions of contracts or agreements applicable to the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund.

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Guidelines and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings #2025-001 to #2025-012. Our opinion is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings #2025-004, 2025-005, 2025-008, 2025-010 and 2025-011 to be material weaknesses.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

Vasquez & Company LLP

Glendale, California
December 31, 2025

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
1. Uses the State Controller's Uniform System of Accounts and Records or has established a separate Proposition A and Proposition C Local Transit Assistance Account for Local Return purposes.	X				
2. Revenues received including allocations, project generated revenues and interest income was properly credited to the Proposition A and/or Proposition C Local Return Account.	X				
3. Funds were expended with Metro's approval and were not substituted for property tax.		X			Finding #2025-001
4. Timely use of funds.	X				
5. Administrative expenses are within the 20% cap.	X				
6. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.		X			Finding #2025-002
7. Annual Project Update Report (Form B) or electronic equivalent was submitted on time.		X			Finding #2025-003
8. Annual Expenditure Report (Form C) or electronic equivalent was submitted on time.	X				
9. Pavement Management System (PMS) is in place and being used for Street Maintenance or Improvement Projects Expenditures.			X		
10. Local Return Account is credited for reimbursable expenditures.			X		
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		
12. Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.			X		

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
A. Proposition A and Proposition C Local Return Funds					
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		
14. Recreational transit form was submitted on time.		X			See Finding #2025-004 (Material Weakness)
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Proposition C Local Return Funds were used to augment, not supplant existing local revenues being used for road improvement purposes.	X				
17. All on-going and carryover projects were reported on Form B or electronic equivalent.	X				
18. Cash or cash equivalents are maintained.	X				
19. Accounting procedures, record keeping, and documentation are adequate.		X			See Finding #2025-005 (Material Weakness)

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. Separate Measure R Local Return Account was established.	X				
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
4. Funds were expended with Metro's approval.		X			Finding #2025-006
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X				
6. Timely use of funds.	X				
7. Administrative expenses are within the 20% cap.	X				
8. Expenditure Plan (Form One or electronic equivalent) was submitted timely.		X			Finding #2025-007
9. Annual Expenditure Report (Form Two or electronic equivalent) was submitted timely.	X				
10. Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.	X				
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		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X		
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
B. Measure R Local Return Fund					
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.		X			See Finding #2025-008 (Material Weakness)

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
C. Measure M Local Return Fund					
1. Funds were expended for transportation purposes.	X				
2. Separate Measure M Local Return Account was established.	X				
3. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X				
4. Funds were expended with Metro's approval.	X				
5. Funds were not substituted for property tax and are in compliance with the Maintenance of Effort.	X				
6. Timely use of funds.	X				
7. Administrative expenses are within the 20% cap.	X				
8. Expenditure Plan (Form M-One or electronic equivalent) was submitted timely.		X			See Finding #2025-009
9. Expenditure Report (Form M-Two or electronic equivalent) was submitted timely.	X				
10. Where funds expended were reimbursable by other grants or fund sources, the reimbursement was credited to the Local Return Account upon receipt of the reimbursement.			X		
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		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X		
13. Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X				

Compliance Requirements	**In Compliance**			**Questioned Costs**	**If no, provide details and management response.**
	Yes	**No**	**N/A**		
C. Measure M Local Return Fund					
14. Recreational transit form was submitted on time.			X		
15. Fund exchanges (trades, loans, or gifts) were approved by Metro.			X		
16. Accounting procedures, record keeping, and documentation are adequate.		X			See Finding #2025-010 (Material Weakness)

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
D. Transportation Development Act Article 3 Fund					
1. Timely use of funds.		X			See Finding #2025-011 (Material Weakness)
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				
3. Annual Claim Form was submitted timely.		X			See Finding #2025-012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PALRF and PCLRF: Finding #2025-001

Compliance Reference	Section I(C) Project Description Form (Form A) of the Proposition A and Proposition C Local Return Guidelines states that "Jurisdictions shall submit for approval a Project Description Form (Form A) or its electronic equivalent prior to the expenditure of funds for 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 0.75 miles or greater service change that duplicates/overlays an existing transit service; or 5) a 25 percent or greater change in an approved LR project budget or scope on all operating or capital LR projects."
Condition	The City claimed expenditures under the following Proposition A projects prior to obtaining approval from Metro. a. Project Code 135, User Side Subsidy (Elderly/Handicapped), totaling $2,044 b. Project Code 155, Special Event Transit, totaling $8,901 Further, the City claimed an expenditure under the following Proposition C project prior to approval from Metro. c. Project Code 170, Bus Shelter Maintenance Program, totaling $285,310 Although the expenditures were determined to be eligible for Local Return funding, these projects did not have prior approval from Metro.
Cause	This condition was caused by turnover of the City staff responsible for completing the Expenditure Plan. City staff who is currently assigned to monitor the Proposition A Local Return Expenditure Plan was unaware of all the expenses that have been budgeted for Proposition A and Proposition C in previous fiscal years. The City was not able to submit a budget request for Metro's approval until after June 30, 2025.
Effect	The City claimed expenditures totaling $10,945 in Proposition A LR funds and $285,310 in Proposition C LR funds prior to obtaining approval from Metro. As a result, the City did not comply with the Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Local Return-funded projects.

PCLRF & PALRF: Finding #2025-001 (Continued)

Management's Response	The City submitted Budget Requests via LRMS and obtained retroactive approval for the projects on December 11, 2025.
Finding Corrected During the Audit	Retroactive approval for the projects was obtained through LRMS on December 11, 2025. No additional follow-up is required.

PALRF & PCLRF: Finding #2025-002

Compliance Reference	Section I(C) Project Description Form (Form A) of the Proposition A and Proposition C Local Return Guidelines states that, "Jurisdictions shall submit for approval a Project Description Form (Form A) or its electronic equivalent prior to the expenditure of funds for: 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 0.75 miles or greater service change that duplicates/overlays an existing transit service; or 5) a 25 percent or greater change in an approved LR project budget or scope on all operating or capital LR projects."
Condition	The City exceeded Metro's approved budget by more than 25 percent prior to obtaining approval through a revised Form A or a Budget Request via LRMS for the PALRF's Project Code 105, Fuel for Fixed Route and Dial-A-Ride program and PCLRF's Project Code 107, Fuel for Fixed Route & Dial-A-Ride. The amounts exceeding 25 percent of the approved budgets were $16,735 for each project. Projects with greater than 25 percent change from the approved project budget should be amended by submitting a Project Description Form (Form A) or a Budget Request via LRMS.
Cause	This condition was caused by turnover of the City staff responsible for completing the Expenditure Plan. City staff who is currently assigned to monitor the Proposition A Local Return Expenditure Plan was unaware of all the expenses that have been budgeted for Proposition A and Proposition C in previous fiscal years. The City was not able to submit revised budget requests for Metro's approval until after June 30, 2025.
Effect	The City's PALRF and PCLRF project expenditures exceeded 25 percent of the approved project budgets prior to Metro's approval, resulting in the City's noncompliance with the Guidelines.
Recommendation	We recommend the City submit a revised Form A or a Budget Request via LRMS to obtain Metro's approval for the change in the project budget and implement internal controls to ensure ongoing compliance with this requirement.

PALRF & PCLRF: Finding #2025-002 (Continued)

Management's Response	The City agrees with the finding and will submit a revised budget via LRMS prior to the end of the fiscal year to obtain Metro's approval for the change in the project budget and implement internal controls to ensure compliance with this requirement at all times. The City submitted a Budget Request via LRMS and obtained retroactive approval of the budget for said projects on December 11, 2025.
Finding Resolved During the Audit	Retroactive approval for the revised budgets of the projects was obtained via LRMS on December 11, 2025. No additional follow-up is required.

PALRF & PCLRF: Finding #2025-003

Compliance Reference	Section III(A) Annual Project Update (Form B) of the Proposition A and Proposition C Local Return Guidelines states that, "Jurisdictions shall submit on or before August 1 of each fiscal year an Annual Project Update to provide current information on all approved on-going and carryover LR projects. Metro will review and accept or return the report for changes. Cities shall report the anticipated expenditure cash flow amounts for the covered fiscal year".
Condition	The City missed the August 1, 2024 deadline of Form B, submitting the 8/1 Table late. Form B was submitted on October 15, 2024.
Cause	This condition was caused by turnover of the City staff responsible for completing Form B, 8/1 Table. City staff who is currently assigned to submit Form B, 8/1 Table was unaware of the requirements to submit Form B, 8/1 Table by August 1 of each year.
Effect	The City submitted the Form B 8/1 Table after the August 1, 2024 deadline, resulting in the City's noncompliance with the Guidelines.
Recommendation	We recommend the City submit Form B via LRMS prior to the August 1 deadline to ensure compliance with this requirement at all times.
Management's Response	The City will ensure 8/1 Table is submitted in a timely manner by August 1 of each fiscal year.
Finding Corrected During the Audit	The City submitted the 8/1 Table on October 15, 2024. No additional follow-up is required.

PALRF: Finding #2025-004 (Material Weakness)

Compliance Reference	Section III(A) Reporting Requirements for Jurisdictions, Annual Expenditure Report (Form C or Actuals Entry) of the Proposition A and Proposition C Local Return Guidelines states that, "For Jurisdictions with Recreational Transit projects, Jurisdictions are required to annually submit an accounting of Recreational Transit trips, destinations and costs. This information should be submitted along with the Form C or Actuals Entry, no later than October 15 after the fiscal year".
Condition	The City submitted its Recreational Transit Certification for PALRF on November 17, 2025, which was 33 days after the October 15, 2025 due date. This is a repeat finding from fiscal years 2023 and 2024.
Cause	This condition was caused by turnover in City staff responsible for completing the Recreation Transit Form. City staff who is currently assigned to monitor the Recreational Transit Expenditure Plan was unaware of the requirements to submit the Recreational Transit Form by October 15 of each year.
Effect	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that the Recreational Transit Certification is submitted by October 15 as required by the Guidelines.
Management's Response	The City will ensure that the Recreational Transit Certification is submitted in a timely manner by October 15 of each fiscal year.
Finding Corrected During the Audit	The City subsequently submitted the Recreational Transit Certification on November 17, 2025. No follow-up is required.

PACLRF & PCLRF: Finding #2025-005 (Material Weakness)

Compliance Reference	Proposition A and Proposition C Local Return Guidelines Section V, state that, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines".
Condition	As of the date of audit fieldwork, December 29, 2025, the City's year-end closing process was still ongoing for the fiscal year 2025. The following critical observations have been identified: • Cut-off procedures relating to year-end accruals were inadequate to ensure that transactions were recorded in the proper period. This resulted in the City's adjustments that affected the prior period's account balances. • Certain accounts and beginning fund balances were not reconciled to the City's published 2024 audited reports. Accordingly, the audit of the City's financial statements for the fiscal year 2025 remains in progress due to the ongoing clean-up and closing process. This is a repeat finding from fiscal years 2023 and 2024.
Cause	During the fiscal years 2021 through 2025, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City's books for the fiscal year 2025 and prior years. Currently, the accounting personnel and support staff are working toward closing the books and preparing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
Effect	The City was not in compliance with the audit requirements of the Local Return Guidelines.

PALRF & PCLRF: Finding #2024-005 (Material Weakness) (Continued)

Recommendation	The City should implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing these procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who is responsible for each task and the expected and actual completion dates. The timing of specific procedures should be coordinated with management's or the auditor's need for the related information. These reconciliations will help ensure that the financial statements are updated and provided to users on a timely basis. We further recommend the City to maintain a separate bank account for its local return funds. This will also help in monitoring and tracking the activities and balances of local return funds.
Management's Response	The City is in the process of catching up on accounting processes that were not completed due to staff turnover and other factors. The new management team in the Finance and Accounting Department is implementing procedures to ensure that monthly and annual year-end closing processes are well documented and completed on time.

MRLRF: Finding #2025-006

Compliance Reference	Section B (II)(1) Expenditure Plan (Form One) of Measure R Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure R LR program compliance requirements, Jurisdiction shall submit to Metro an Expenditure Plan (Form One) or its electronic equivalent, annually, by August 1st of each year. "Expenditure Plan (Form One) provides a listing of projects funded with Measure R LR funds, along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. For capital projects (projects over $250,000), Part II is required. Pursuant to AB2321, Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."
Condition	The City claimed expenditures prior to obtaining approval from Metro under Project Code 780, Engineering Administration, totaling $300,000. Although the expenditures were determined to be eligible for Local Return funding, this project did not have prior approval from Metro.
Cause	This condition was caused by turnover of the City staff responsible for completing the Expenditure Plan. City staff who is currently assigned to monitor the Measure R Local Return Expenditure Plan was unaware of all the expenses that have been budgeted for Measure R Local Return Expenditure Plan in previous fiscal years.
Effect	The City claimed expenditures totaling $300,000 in Measure R funds prior to approval by Metro. The City did not comply with the Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro before incurring expenditures on Local Return-funded projects.
Management's Response	The City submitted a Budget Request via LRMS and obtained retroactive approval for the project on December 11, 2025.
Finding Corrected During the Audit	Retroactive approval for the project was obtained through LRMS on December 11, 2025. No additional follow-up is required.

MRLRF: Finding #2025-007

Compliance Reference	Section II(B) Expenditure Plan (Form One) of the Measure R Local Return Guidelines states, "To maintain legal eligibility and meet Measure R LR program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form One), annually, by August 1st of each year".
Condition	The City missed the August 1, 2024 deadline of Form One, submitting the 8/1 Table late. Form One was submitted on October 15, 2024.
Cause	This condition was caused by turnover of the City staff responsible for completing Form One, 8/1 Table. City staff who is currently assigned to submit Form One, 8/1 Table was unaware of the requirements to submit Form One, 8/1 Table by August 1 of each year.
Effect	The City submitted the Form One 8/1 Table after the August 1, 2024 deadline, resulting in the City's noncompliance with the Guidelines.
Recommendation	We recommend the City submit Form One via LRMS prior to the August 1 deadline to ensure compliance with this requirement at all times.
Management's Response	The City will ensure 8/1 Table is submitted in a timely manner by August 1 of each fiscal year.
Finding Corrected During the Audit	The City submitted the 8/1 Table on October 15, 2024. No additional follow-up is required.

MRLRF: Finding #2025-008 (Material Weakness)

Compliance Reference	Measure R Local Return Guidelines Section VII states that, "It is the jurisdictions' responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines".
Condition	As of the date of audit fieldwork on December 29, 2025, the City's year-end closing process was still ongoing for the fiscal year 2025. The following critical observations have been identified: • Cut-off procedures relating to year-end accruals were inadequate to ensure that transactions were recorded in the proper period. This resulted in the City's adjustments that affected the prior period's account balances. • Certain accounts and beginning fund balances were not reconciled to the City's published 2024 audited reports. Accordingly, the audit of the City's financial statements for the fiscal year 2025 remains in progress due to the ongoing clean-up and closing process. This is a repeat finding from fiscal years 2023 and 2024.
Cause	During the fiscal years 2021 through 2025, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City's books for the fiscal year 2025 and prior years. Currently, the accounting personnel and support staff are working toward closing the books and preparing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
Effect	The City was not in compliance with the audit requirements of the Local Return Guidelines.

MRLRF: Finding #2025-008 (Material Weakness) (Continued)

Recommendation	The City should implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing these procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who is responsible for each task and the expected and actual completion dates. The timing of specific procedures should be coordinated with management’s or the auditor’s need for the related information. These reconciliations will help ensure that the financial statements are updated and provided to users on a timely basis. We further recommend the City to maintain a separate bank account for its local return funds. This will also help in monitoring and tracking the activities and balances of local return funds.
Management’s Response	The City is in the process of catching up on accounting processes that were not completed due to staff turnover and other factors. The new management team in the Finance and Accounting Department is implementing procedures to ensure that monthly and annual year-end closing processes are well documented and completed on time.

MMLRF: Finding #2025-009

Compliance Reference	Administrative Section Expenditure Plan (Form M-One) of the Measure M Local Return Guidelines states, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1 of each year".
Condition	The City missed the August 1, 2024 deadline of Form M-One, submitting the 8/1 Table late. Form M-One was submitted on October 15, 2024.
Cause	This condition was caused by turnover of the City staff responsible for completing Form M-One, 8/1 Table. City staff who is currently assigned to submit Form M-One, 8/1 Table was unaware of the requirements to submit Form M-One, 8/1 Table by August 1 of each year.
Effect	The City submitted the Form M-One 8/1 Table after the August 1, 2024 deadline, resulting in the City's noncompliance with the Guidelines.
Recommendation	We recommend the City submit Form M-One via LRMS prior to the August 1 deadline to ensure compliance with this requirement at all times.
Management's Response	The City will ensure 8/1 Table is submitted in a timely manner by August 1 of each fiscal year.
Finding Corrected During the Audit	The City submitted the 8/1 Table on October 15, 2024. No additional follow-up is required.

MMLRF: Finding #2025-010 (Material Weakness)

Compliance Reference	Measure M Local Return Guidelines Section XXV states that, “It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.
Condition	As of the date of audit fieldwork on December 29, 2025, the City’s year-end closing process was still ongoing for the fiscal year 2025. The following critical observations have been identified: • Cut-off procedures relating to year-end accruals were inadequate to ensure that transactions were recorded in the proper period. This resulted in the City’s adjustments that affected the prior period’s account balances. • Certain accounts and beginning fund balances were not reconciled to the City’s published 2024 audited reports. Accordingly, the audit of the City’s financial statements for the fiscal year 2025 remains in progress due to the ongoing clean-up and closing process. This is a repeat finding from fiscal years 2023 and 2024.
Cause	During the fiscal years 2021 through 2025, the City lost several key employees, particularly in the Finance and Accounting Department. This resulted in delays in closing the City’s books for the fiscal year 2025 and prior years. Currently, the accounting personnel and support staff are working toward closing the books and preparing the closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.
Effect	The City was not in compliance with the audit requirements of the Local Return Guidelines.

MRLRF: Finding #2025-010 (Material Weakness) (Continued)

Recommendation	The City should implement a monthly and year-end closing process in a timely manner. We also recommend that the City establish and document proper closing and reconciliation procedures and assign responsibility for completing these procedures to specific City personnel. The closing procedures should be documented in a checklist that indicates who is responsible for each task and the expected and actual completion dates. The timing of specific procedures should be coordinated with management's or the auditor's need for the related information. These reconciliations will help ensure that the financial statements are updated and provided to users on a timely basis. We further recommend the City to maintain a separate bank account for its local return funds. This will also help in monitoring and tracking the activities and balances of local return funds.
Management's Response	The City is in the process of catching up on accounting processes that were not completed due to staff turnover and other factors. The new management team in the Finance and Accounting Department is implementing procedures to ensure that monthly and annual year-end closing processes are well documented and completed on time.

TDAA3F: Finding #2025-011 (Material Weakness)

Compliance Reference	TDA Article 3 Bicycle and Pedestrian Funds Funding Allocation Guidelines, Funding, Lapsing and Accounting states that "Agencies may only draw down the funds that they can spend during the fiscal year in which they were allocated. Agencies are not allowed to have a fund balance at the end of the fiscal year. Any funds drawn down and that remain unspent after the end of the fiscal year must be returned to Metro by October 15 of the following fiscal year to be placed on reserve for the agency under the fiscal year in which they were originally allocated.
Condition	The City had remaining unexpended and unencumbered funds of $221,463 as of June 30, 2025. This balance includes lapsed funds from fiscal years 2019, 2020, and 2021 totaling $107,126 This is a repeat finding from fiscal years 2023 and 2024.
Cause	This condition was caused by turnover of the City staff responsible for monitoring the TDA Article 3 Bicycle and Pedestrian Funds.
Effect	The City was not in compliance with the TDA Article 3 Guidelines and was required to return the $221,463 that remained unexpended and unencumbered as of June 30, 2025.
Recommendation	We recommend the City establish procedures and internal controls to ensure that funds drawn during the fiscal year are fully spent and that any unexpended and unencumbered amounts are returned to Metro at the end of the fiscal year in accordance with the TDA Article 3 Guidelines.
Management's Response	The City acknowledges the TDA Article 3 Bicycle and Pedestrian Funds guidelines related to funding drawdown, lapsing, and accounting. The City understands that funds may only be drawn in the fiscal year in which they are allocated and that any unspent funds must be returned to Metro by October 15 of the following fiscal year to be placed on reserve under the original allocation year. Going forward, the City will improve internal coordination and monitoring to ensure TDA Article 3 funds are drawn only when expenditures are expected within the same fiscal year. The City will also strengthen tracking of project schedules and expenditures to prevent unspent balances at year-end and to ensure timely return of any remaining funds in compliance with Metro requirements.

TDAA3F: Finding #2025-012

Compliance Reference	TDA Article 3 Guidelines state that "TDA Article 3 funds are not automatically distributed to agencies or placed on reserve. Each Agency must designate the disposition of its TDA Article 3 allocation by completing the TDA3 Claim Form in the LRMS by May 31."
Condition	The City did not submit its TDA Article 3 Claim Form to Metro for FY2024/25.
Cause	The City will ensure the TDA 3 Claim Form is submitted in a timely manner by May 31 of each fiscal year.
Effect	The City's TDA Article 3 Claim Form was not submitted, resulting in noncompliance with the TDA Article 3 Guidelines.
Recommendation	We recommend the City establish procedures and controls to ensure that the TDA Article 3 Claim Form is submitted by May 31 as required by the Guidelines.
Management's Response	The City will ensure TDA 3 Claim Form is submitted in a timely manner by May 31 of each fiscal year.

EXIT CONFERENCE

An exit conference was held on December 12, 2025 with the City of Huntington Park representatives. Those in attendance were:

Vasquez and Company LLP representatives:
Mary Tanglao – Audit Supervisor

City of Huntington Park representatives:
Jeff Jones – Director of Finance
Araceli Tovar – Accountant

Matters discussed:

Results of the audit disclosed a finding on internal control over financial reporting and instances of noncompliance with the Guidelines.

A copy of this report was forwarded to the following City of Huntington Park representatives for comments prior to the issuance of the final report:

Jeff Jones – Director of Finance
Araceli Tovar – Accountant

Vasquez & Company LLP
655 North Central Avenue, Suite 1550
Glendale, CA 91203

RE: CITY OF HUNTINGTON PARK, CALIFORNIA ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, THE PROPOSITION C LOCAL RETURN FUND, THE MEASURE R LOCAL RETURN FUND, THE MEASURE M LOCAL RETURN FUND AND THE TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND FOR THE YEARS ENDED JUNE 30, 2025 AND 2024.

I have received the annual financial report of the Proposition A Local Return Fund, the Proposition C Local Return Fund, the Measure R Local Return Fund, the Measure M Local Return Fund and the Transportation Development Act Article 3 Fund, for the years ended June 30, 2025 and 2024 for the City of Huntington Park and agreed with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

____
Name

____
Title

____
Date

www.vasquez.cpa

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • +1.213.873.1700