City of Inglewood

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

VASQUEZ + COMPANY LLP

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 Inglewood, California and the
Los Angeles County Metropolitan Transportation Authority

Report on the Audit of the Financial Statements

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 Inglewood, 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, 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 Inglewood, 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 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 Inglewood, 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.

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 17, 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 17, 2025

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 8,536,132**	$ 6,616,788
Total assets	**$ 8,536,132**	$ 6,616,788
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 149,867**	$ 98,626
Retention payable	**-**	31,379
Accrued wages payable	**385,509**	253,238
Total liabilities	**535,376**	383,243
Fund balance		
Restricted	**8,000,756**	6,233,545
Total fund balance	**8,000,756**	6,233,545
Total liabilities and fund balance	**$ 8,536,132**	$ 6,616,788

See notes to Funds financial statements.

		Years ended June 30	
		2025	2024
Revenues			
Proposition A		**$ 2,787,811**	$ 2,823,491
Investment income		**310,919**	189,680
Reimbursements from vendor (Note 9)		**-**	14,215
	Total revenues	**3,098,730**	3,027,386
Expenditures			
Various projects		**1,331,519**	1,965,870
	Total expenditures	**1,331,519**	1,965,870
Excess of revenues over expenditures		**1,767,211**	1,061,516
Fund balance at beginning of year		**6,233,545**	5,172,029
Fund balance at end of year		**$ 8,000,756**	$ 6,233,545

See notes to Funds financial statements.

City of Inglewood
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)

Project Code	Project Name	2025 Metro Budget	2025 Actual	2025 Variance Positive (Negative)	2024 Actual
150	Transit Security	$ 1,250,000	$ 1,295,619	$ (45,619)	$ 1,204,937
205	Transit Stop Improvements	35,900	35,900	-	760,933
	Total expenditures	$ 1,285,900	$ 1,331,519	$ (45,619)	$ 1,965,870

See independent auditor's report.

Year Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2019	Transit Stop Improvement -P633	$ 2,382,089	$ 35,900	$ -	$ 2,417,989
2019	N La Brea Avenue Improvement - P621	686,757	-	-	686,757
2019	City Last Mile Transit Connector - P658	5,268,359	-	-	5,268,359
2020	Van Ness Avenue Improvement - P621	349,299	-	-	349,299
2020	Imperial Highway Improvement Project - P610	45,183	-	-	45,183
2020	Century Blvd Mobility Improvement Project -P212	450,000	-	-	450,000
2020	Inglewood Transit Facility - P664	706,879	-	-	706,879
2020	Inglewood Transit Connector - P667	117,654	-	-	117,654
2022	TMOP Program - P675	71,106	-	-	71,106
	Total	$ 10,077,326	$ 35,900	$ -	$ 10,113,226

See independent auditor's report.

	June 30			
		2025		2024
ASSETS				
Cash and investments	**$**	**3,975,833**	$	4,092,759
Due from Metro		**293,705**		86,051
Total assets	**$**	**4,269,538**	$	4,178,810
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable	**$**	**32,486**	$	1,148,885
Retention payable		**-**		89,362
Accrued wages payable		**28,268**		46,873
Total liabilities		**60,754**		1,285,120
Deferred inflows of resources				
Unavailable revenue		**107,412**		-
Total deferred inflows of resources		**107,412**		-
Fund balance				
Restricted		**4,101,372**		2,893,690
Total fund balance		**4,101,372**		2,893,690
Total liabilities, deferred inflows of resources and fund balance	**$**	**4,269,538**	$	4,178,810

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Proposition C	**$ 2,312,419**	$ 2,342,020
Proposition A Discretionary Incentive Program grant (Note 8)	**240,202**	136,067
Investment income	**147,390**	109,624
Project generated revenues (Note 10)	**57,984**	60,131
Others	**-**	8,116
Total revenues	**2,757,995**	2,655,958
Expenditures		
Various projects	**1,550,313**	3,103,602
Total expenditures	**1,550,313**	3,103,602
Excess (deficiency) of revenues over expenditures	**1,207,682**	(447,644)
Fund balance at beginning of year	**2,893,690**	3,341,334
Fund balance at end of year	**$ 4,101,372**	$ 2,893,690

See notes to Funds financial statements.

City of Inglewood
Proposition C 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
105	Market Street Trolley	$ 125,000	$ 67,395	$ 57,605	$ 109,781
106	Senior Citizen Paratransit	1,000,000	990,477	9,523	988,033
135	Subsidized Taxi Services	125,000	132,277	(7,277)	93,462
135	Reduced Fare Bus Passes	30,000	5,677	24,323	17,221
350	Intelligent Transportation System - ITS	-	-	-	29,101
350	Intelligent Transportation System - ITS - Phase	-	-	-	2,731
380	Intelligent Transportation System - ITS - Master	47,461	47,290	171	27,840
620	Transportation Management/Grants	375,000	293,139	81,861	311,416
710	Street Signs & Marking Rehabilitation	3,840	3,840	-	148,306
715	Centinela Avenue Improvement Project	-	-	-	6,240
715	Street Geometry Improvement	10,725	7,040	3,685	831,790
720	HSIP Pedestrian Improvement Project	325,000	3,178	321,822	533,651
720	HSIP Improvements Program	-	-	-	4,030
	Total expenditures	$ 2,042,026	$ 1,550,313	$ 491,713	$ 3,103,602

See independent auditor's report.

Year Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2010	Intersection and Street Reconstruction	$ 156,520	$ -	$ -	$ 156,520
2010	La Brea - Manchester to Century	1,841,683	-	-	1,841,683
2010	Arbor Vitae Project East	42,768	-	-	42,768
2011	Crenshaw/Century Installation of Signals	14,411	-	-	14,411
2012	Annual Street Improvements	181,634	-	-	181,634
2013	Resurfacing of Local Streets	400,330	-	-	400,330
2014	La Brea Ave Improvement Project Phase II	366,463	-	-	366,463
2014	Pavement Management System	44,482	-	-	44,482
2015	Traffic Sign Replacement Project	12,803	-	-	12,803
2015	La Brea Ave Improvement Project Phase I	8,342	-	-	8,342
2015	Street Improvements at La Cienega	127,505	-	-	127,505
2015	La Brea - Intersection Realignment	183,119	-	-	183,119
2016	Century Blvd Corridor Design Project	2,027,974	-	-	2,027,974
2019	Florence Ave Regional Transportation	1,259,049	-	-	1,259,049
2019	La Brea TLSP - PRO 1B	496,584	-	-	496,584
2019	Crenshaw Blvd and 84th Street HSIP	58,235	-	-	58,235
2019	La Tijera Elementary School Project	443,229	-	-	443,229
2019	Highway Improvement Project	69,237	-	-	69,237
2019	Centinela Avenue Improvement - P619	158,482	-	-	158,482
2019	N La Brea Avenue Improvement	1,512,933	-	-	1,512,933
2019	Street Geometry Improvement Project - P623	1,456,717	7,040	-	1,463,757
2019	Intelligent Transp System ITS Phase 4b	251,675	-	-	251,675
2019	Street Rehabilitation Project	2,210,694	-	-	2,210,694
2019	City Last Mile Transit Connector	2,737,406	-	-	2,737,406
2019	Stadium Project Planning and Improvement	122,382	-	-	122,382
2020	Intelligent Transp System ITS Phase V	25,935	-	-	25,935
2020	Street Signs and Marking Rehabilitation - P689	195,864	3,840	-	199,704
2020	Manchester Blvd Project - SBCCOG	8,585	-	-	8,585
2021	HSIP Improvement Project - P672	164,558	-	-	164,558
2021	ITS Phase IV	25,389	-	-	25,389
2021	ITS Phase V - P656	546,792	-	-	546,792
2024	Street and Alley Rehabilitation	136,000	-	-	136,000
2024	ITS Master Plan - P647	65,412	47,290	-	112,702
2024	ITS Phase VI - P657	187,731	-	-	187,731
2025	HSIPL 5164-035 Ped Improvement Project	533,651	3,178	-	536,829
	Total	$ 18,074,574	$ 61,348	$ -	$ 18,135,922

See independent auditor's report.

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 3,016,709**	$ 3,311,530
Total assets	**$ 3,016,709**	$ 3,311,530
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 267,610**	$ 137,233
Retention payable	**5,340**	13,543
Total liabilities	**272,950**	150,776
Fund balance		
Restricted	**2,743,759**	3,160,754
Total fund balance	**2,743,759**	3,160,754
Total liabilities and fund balance	**$ 3,016,709**	$ 3,311,530

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure R	**$ 1,733,993**	$ 1,755,966
Investment income	**126,889**	88,216
Total revenues	**1,860,882**	1,844,182
Expenditures		
Various projects	**2,277,877**	887,971
Total expenditures	**2,277,877**	887,971
Excess (deficiency) of revenues over expenditures	**(416,995)**	956,211
Fund balance at beginning of year	**3,160,754**	2,204,543
Fund balance at end of year	**$ 2,743,759**	$ 3,160,754

See 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
302	Traffic Signal Improvement Program	$ 130,196	$ 115,354	$ 14,842	$ 177,130
390	Traffic Safety Sign (649)	29,788	9,788	20,000	-
705	Sidewalk and Ramp Rehabilitation Project	203,995	197,939	6,056	400,000
715	Streets and Alley Rehabilitation	1,465,865	1,604,800	(138,935)	45,627
720	HISP Pedestrian Improvement (P677)	256,888	256,887	1	94,013
760	Street Signs and Markings Rehabilitation	25,028	25,028	-	39,038
880	Active Transportation Plan - Safe Routes to School	116,652	68,081	48,571	132,163
	Total expenditures	$ 2,228,412	$ 2,277,877	$ (49,465)	$ 887,971

See independent auditor’s report.

Year Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2018	Traffic Signal Improvement Program	$ 1,118,121	$ -	$ -	$ 1,118,121
2019	Century Blvd Mobility Improvement Project	2,601,490	-	-	2,601,490
2019	ITS Phase IV	753	-	-	753
2019	Van Ness Avenue Improvement	480,947	-	-	480,947
2019	Imperial Highway Improvement Project	3,480	-	-	3,480
2019	N La Brea Ave Improvement	1,024,484	-	-	1,024,484
2019	Annual Traffic Signal Improvement - P650	1,308,903	115,354	-	1,424,257
2019	Street Lighting and Roadway Safety Improvement	606,549	-	-	606,549
2019	ITS Master Plan - P647	219,388	-	-	219,388
2019	South Prairie Improvement Project	368,142	-	-	368,142
2019	Resurfacing of Local Streets	2,451,122	-	-	2,451,122
2019	Sidewalk and Ramp Rehabilitation - P654	1,201,906	197,939	-	1,399,845
2019	Streets Rehabilitation Project	740,295	-	-	740,295
2021	Pavement Management Program	102,125	-	-	102,125
2021	ITS Gap Closure Improvement Project	42,332	-	-	42,332
2021	Streets and Alley Rehabilitation Project - P632	3,175,381	1,604,800	-	4,780,181
2021	HSIP Improvement Project - P621	10,509	-	-	10,509
2021	Streets and Markings Rehabilitation Project -P689	78,866	25,028	-	103,894
2024	Active Transportation Program - P676	132,163	68,081	-	200,244
2024	HSIPL 5164-035 Ped Improvement Project - P677	94,013	256,887	-	350,900
2025	Traffic Safety Sign Project - P649	-	9,788	-	9,788
	Total	$ 15,760,969	$ 2,277,877	$ -	$ 18,038,846

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 203,424**	$ 1,186,060
Total assets	**$ 203,424**	$ 1,186,060
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 160,097**	$ 566,277
Retention payable	**42,745**	40,903
Total liabilities	**202,842**	607,180
Fund balance		
Restricted	**582**	578,880
Total fund balance	**582**	578,880
Total liabilities and fund balance	**$ 203,424**	$ 1,186,060

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure M	**$ 1,964,556**	$ 1,982,859
Investment income	**29,296**	58,300
Total revenues	**1,993,852**	2,041,159
Expenditures		
Various projects	**2,572,150**	2,022,749
Total expenditures	**2,572,150**	2,022,749
Excess (deficiency) of revenues over expenditures	**(578,298)**	18,410
Fund balance at beginning of year	**578,880**	560,470
Fund balance at end of year	**$ 582**	$ 578,880

See notes to Funds financial statements.

City of Inglewood
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)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Positive (Negative)	2024 Actual
250	Crenshaw LAX/LRT Corridor	$ 965,767	$ 934,039	$ 31,728	$ 277,576
350	ITS Improvements Phase 5	-	-	-	7,512
350	ITS Improvements Phase 6	-	-	-	543
715	Centinela Avenue Improvement Project	-	-	-	117,061
715	Streets and Alley Rehabilitation	1,464,851	1,632,151	(167,300)	1,609,487
715	Aviation Blvd. Improvements (P669)	5,961	5,960	1	286
720	HSIP Improvements Project	-	-	-	10,284
	Total expenditures	$ 2,436,579	$ 2,572,150	$ (135,571)	$ 2,022,749

See independent auditor's report.

Year Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2020	South Prairie Improvement Project- P652	$ 1,693,005	$ -	$ -	$ 1,693,005
2021	Centinela Avenue Improvement - P619	4,545,257	-	-	4,545,257
2024	Crenshaw/LAX LRT Corridor -P626	789,093	934,039	-	1,723,132
2024	HSIP Improvement Project P672	328,057	-	-	328,057
2024	Streets and Alley Rehabilitation -P632	4,105,635	1,632,151	-	5,737,786
2024	ITS Improvements Phase V (5) - P656	208,782	-	-	208,782
2025	ITS Improvements Phase VI (6) - P657	543	-	-	543
2025	AVIATION BLVD IMPROVEMENTS - P669	287	5,960	-	6,247
	Total	$ 11,670,659	$ 2,572,150	$ -	$ 14,242,809

See independent auditor's report.

Balance Sheets

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ -**	$ -
Total assets	**$ -**	$ -
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ -**	$ -
Total liabilities	**-**	-
Fund balance		
Restricted	**-**	-
Total fund balance	**-**	-
Total liabilities and fund balance	**$ -**	$ -

See notes to Funds financial statements.

City of Inglewood
Transportation Development Act Article 3 Fund
Pursuant to Public Utilities Code Section 99234
Statements of Revenues, Expenditures and Changes in Fund Balance

	Years ended June 30	
	2025	2024
Revenues		
Intergovernmental Allocations:		
Article 3	**$ -**	$ 156,877
Total revenues	**-**	156,877
Expenditures		
Sidewalk Replacement Project	**-**	156,877
Total expenditures	**-**	156,877
Excess of revenues over expenditures	**-**	-
Fund balance at beginning of year	**-**	-
Fund balance at end of year	**$ -**	$ -

See notes to Funds financial statements.

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) 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 investment 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.

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.

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

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 GRANTS

The City received Proposition A Discretionary Incentive Program grant amounting to $240,202 and $136,067 for the years ended June 30, 2025 and 2024, respectively, which represents additional funds received from Metro for participating in the sub-regional paratransit services program. The City used this grant to operate a demand-response paratransit Dial-A-Ride program available to eligible disabled residents.

The Proposition A Discretionary Incentive Grants were recorded in PCLRF. As of June 30, 2025, $107,412 of the grant funds is recorded as unavailable revenue under deferred inflows of resources.

NOTE 9 REIMBURSEMENTS FROM VENDOR – PALRF

During the year ended June 30, 2024, the City received reimbursement from a vendor amounting to $14,215 related to Project 280 TMOP Program overpayment.

NOTE 10 PROJECT GENERATED REVENUES – PCLRF

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

	2025	2024
Hawthorne Paratransit	**$ 50,209**	$ 51,399
Subsidized Taxi Vouchers	**150**	155
Reduced Fare Bus Passes	**2,960**	4,280
Fare Donation	**4,666**	4,297
	$ 57,984	$ 60,131

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 2022/23 allocation	**$ -**	$ 32,297
FY 2023/24 allocation	**-**	124,580
	$ -	$ 156,877

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 2024/25 allocation	**$ 109,105**	$ -
Total reserve	**$ 109,105**	$ -

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 by the City by June 30, 2025. There were no funds that lapsed in FY 2024/25.

NOTE 13 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 17, 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 Inglewood, 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 Inglewood, 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 17, 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'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*.

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 17, 2025

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

VASQUEZ
+ COMPANY LLP

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 Inglewood, California and the
Los Angeles County Metropolitan Transportation Authority

Report on Compliance

Opinion

We have audited the City of Inglewood, 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 Inglewood, 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.

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 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.

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.

Vasquez & Company LLP

Glendale, California
December 17, 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				
4. Timely use of funds.	X				
5. Administrative expenses are within the 20% cap.			X		There were no administrative expenditures charged to PALRF and PCLRF during FY2024/25.
6. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.			X		
7. Annual Project Update Report (Form B) or electronic equivalent was submitted on time.	X				
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		

See independent auditor's report on compliance.

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					
12. Self-Certification was completed and submitted for Intelligent Transportation Systems projects and elements.	X				
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		
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				

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				
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		There were no administrative expenditures charged to MRLRF during FY2024/25.
8. Expenditure Plan (Form One or electronic equivalent) was submitted timely.	X				
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				

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		There were no administrative expenditures charged to MMLRF during FY2024/25.
8. Expenditure Plan (Form M-One or electronic equivalent) was submitted timely.	X				
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				

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				
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.			X		There were no administrative expenditures charged to TDAA3F during FY2024/25.
3. Annual Claim Form was submitted timely.	X				

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs.

EXIT CONFERENCE

An exit conference was held on December 17, 2025 with the City of Inglewood representative. Those in attendance were:

Vasquez and Company LLP representatives:
Erica Ong – Senior Audit Manager
Mary Tanglao – Audit Supervisor

City of Inglewood representative:
Luisana Gomez – Accounting Manager
Anna Chanyat – Senior Accountant

Matters discussed:

Results of the audit disclosed no significant compliance or financial statement issues.

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

Sharon Koike – Assistant Finance Director
Luisana Gomez – Accounting Manager
Anna Chanyat – Senior Accountant

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

RE: CITY OF INGLEWOOD, 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 Inglewood 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