Metro™

City of Pico Rivera

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

PAGE

FINANCIAL SECTION

FINANCIAL SECTION

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Independent Auditor's Report

**To the Honorable Members of the City Council of the
City of Pico Rivera, 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 Pico Rivera, 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 Pico Rivera, 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 Pico Rivera, 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	**$ 4,561,817**	$ 4,262,738
Interest receivable	**37,393**	23,036
Accounts receivable	**-**	26,701
Total assets	**$ 4,599,210**	$ 4,312,475
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 159,604**	$ 116,584
Accrued payroll and employee benefits	**451**	8,267
Total liabilities	**160,055**	124,851
Fund balance		
Restricted	**4,439,155**	4,187,624
Total fund balance	**4,439,155**	4,187,624
Total liabilities and fund balance	**$ 4,599,210**	$ 4,312,475

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Proposition A	**$ 1,599,906**	$ 1,629,219
Unrealized gain on investment	**287,052**	207,801
Bus pass sales	**7,385**	28,097
Sale of capital assets (Note 9)	**5,000**	-
Total revenues	**1,899,343**	1,865,117
Expenditures		
Various projects	**1,647,812**	1,382,537
Total expenditures	**1,647,812**	1,382,537
Excess of revenues over expenditures	**251,531**	482,580
Fund balance at beginning of year	**4,187,624**	3,705,044
Fund balance at end of year	**$ 4,439,155**	$ 4,187,624

See notes to Funds financial statements.

City of Pico Rivera
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
107	Special Service of U & H	$ 900,000	$ 744,799	$ 155,201	$ 683,402
135	MTA Bus Pass Buydown	6,000	731	5,269	2,998
150	Transit Security	230,000	187,322	42,678	188,591
155	Recreational Transit	291,000	66,567	224,433	49,913
170	Bus Shelter Maintenance	262,000	258,066	3,934	250,335
205	Citywide bus shelters improvement project	900,000	-	900,000	-
205	Major Corridors	80,000	80,065	(65)	19,935
205	Rosemead Blvd - Parkway & Bus stops	148,100	148,101	(1)	6,900
610	Administration	275,000	162,161	112,839	180,463
	Total expenditures	$ 3,092,100	$ 1,647,812	$ 1,444,288	$ 1,382,537

See independent auditor's report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2010	Bus for Dial-A-Ride Program	$ 56,727	$ -	$ -	$ 56,727
2010	Bus for Dial-A-Ride Program	56,727	-	-	56,727
2012	Pico Park Transit Hub - Parking Lot Expansion	700,000	-	-	700,000
2004	Bus Shelter Replacement	203,655	-	-	203,655
2015	Gold Line Extension Project	60,000	-	-	60,000
2020	Purchase of Three Star White Craft Van	267,087	-	-	267,087
2021	Bus Landing at Coffman and Pico Rd./Rosemead Blvd.	-	57,550		57,550
2023	Vehicle and Equipment Purchase	211,607	-	-	211,607
	Total	$ 1,555,803	$ 57,550	$ -	$ 1,613,353

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 1,879,217**	$ 2,575,875
Interest receivable	**14,872**	14,220
Accounts receivable	**-**	8,611
Due from Metro (Note 8)	**33,494**	106,148
Total assets	**$ 1,927,583**	$ 2,704,854
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 131,761**	$ 294,319
Retention payable	**91,927**	17,873
Accrued payroll and employee benefits	**6,256**	3,077
Total liabilities	**229,944**	315,269
Deferred inflows of resources		
Unavailable revenues	**32,010**	8,611
Total deferred inflows of resources	**32,010**	8,611
Fund balance		
Restricted	**1,665,629**	2,380,974
Total fund balance	**1,665,629**	2,380,974
Total liabilities, deferred inflows of resources, and fund balance	**$ 1,927,583**	$ 2,704,854

See notes to Funds financial statements.

		Years ended June 30	
		2025	2024
Revenues			
Proposition C		$ **1,327,081**	$ 1,351,400
Unrealized gain on investment		**149,127**	142,489
Reimbursements from Metro (Note 10)		**3,389**	56,289
	Total revenues	**1,479,597**	1,550,178
Expenditures			
Expenditures funded by PCLRF		**2,175,477**	1,704,074
Expenditures funded by other grants (Note 11)		**19,465**	20,900
	Total expenditures	**2,194,942**	1,724,974
Deficiency of revenues over expenditures		**(715,345)**	(174,796)
Fund balance at beginning of year		**2,380,974**	2,555,770
Fund balance at end of year		$ **1,665,629**	$ 2,380,974

See notes to Funds financial statements.

City of Pico Rivera
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)

		2025			
Project Code	Project Name	Metro Budget	Actual	Variance Positive (Negative)	2024 Actual
302	HSIP Cycle 7 - Traffic Signal Upgrades Citywide	$ -	$ -	$ -	$ 123,644
302	HSIP Cycle 8 - Traffic Signal Upgrades Along Five Intersections of Major Arterials Citywide	-	-	-	409,778
302	Beverly Boulevard TSSP	15,000	445	14,555	305,642
302	50018 - Washington Boulevard - TSSP	200,000	409	199,591	148,559
303	CIP 50046 - Slauson Avenue Traffic	300,000	1,290	298,710	1,555
380	CIP 4700 - Local Roadway Safety Plan	-	-	-	90
470	Gateway Cities COG SR-91 /I 605 Needs Assessment Study	20,000	20,000	-	20,000
620	Administration	75,000	49,401	25,599	46,884
705	Telegraph Road Over San Gabriel	200,000	37,813	162,187	29,810
705	Washington Blvd over Rio Hondo River Bridge Rehabilitation Project	350,000	37,107	312,893	38,728
705	Durfee Avenue Underpass Project	57,000	241	56,759	5,148
705	Whittier Boulevard Street Overlay	150,000	5,647	144,353	86,599
765	Pavement Management System (PMS) Update	65,000	62,938	2,062	6,097
755	CIP 50075 - Major Corridors Median and Parkway Beautification Project	1,297,000	1,327,068	(30,068)	394,324
755	CIP 50076- Rosemead Blvd Median and Parkway Beautification Project	569,000	588,350	(19,350)	87,216
705	Bridge Preventative Maintenance Program	51,000	776	50,224	-
710	50019 - Slauson Avenue Bridge - Seismic Retrofit Project	28,000	-	28,000	-
720	Underpasses Improvements (Passons, Paramount & Rosemead) BOD Report	250,000	-	250,000	-
705	Road Resurfacing Program - Overlay and Reconstruction	500,000	-	500,000	-
715	Annual Citywide Bridge Repairs Project	200,000	-	200,000	-
720	Regional Trail Entrances and City Entry Points Safety Improvements Project	90,000	-	90,000	-
705	Washington Blvd Bridge Repair Project over Rio Hondo Channel	82,000	35,993	46,007	-
730	Slauson Avenue Complete Streets Study	30,000	7,999	22,001	-
	Total expenditures	$ 4,529,000	$ 2,175,477	$ 2,353,523	$ 1,704,074

See independent auditor's report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2004	Bus Shelter Replacement	$ 178,422	$ -	$ -	$ 178,422
2005	W. Whittier Blvd Street	179,844	-	-	179,844
2006	SG River Pkway/Beverly	144,853	-	-	144,853
2012	Pico Rivera Transit Hub - Parking Lot Expansion	211,224	-	-	211,224
2012	Beverly Blvd Rehabilitation	268,211	-	-	268,211
2014	Pavement Management System Update	45,068	-	-	45,068
2014	Beverly Blvd Median Island Improvement Rosemead Blvd. Rehabilitation	994,685	-	-	994,685
2014	Washington	420,370	-	-	420,370
2014	Rosemead/Whittier Improvements	221,795	-	-	221,795
2014	Construction In Progress - Various Projects Sidewalk Improvements and Bus Stop	2,415,796	-	-	2,415,796
2015	Improvements Rosemead Blvd/Mines Ave Intersection	50,000	-	-	50,000
2015	Improvements	785,383	-	-	785,383
2019	Paramount Blvd Raised Medians	-	486	-	486
2020	Upgrade Traffic Signals/Construct Sidewalks Along Washington	-	1,069	-	1,069
2021	ER Repairs to Passons Grade Separation Bridge	-	8,309	-	8,309
2023	Telegraph Rd Traffic Enhancements Proj Phase II	-	542,920	-	542,920
2023	Mini-Pitch Soccer System Project	-	153,942	-	153,942
2024	Overlay Improvements on Whittier Blvd	-	436,867	-	436,867
2024	HSIP-cycle 7 - Traffic Signal Upgrades Installation Larger signal hardware & etc.	-	829,559	-	829,559
2024	HSIP Cycle 8 - Traffic Signal Upgrades	-	1,033,578	-	1,033,578
2025	Washington Blvd over RHC - Bridge Emergency Deck	-	35,993	-	35,993
2025	Durfee Ave Underpass Project	-	107,611	-	107,611
	Total	$ 5,915,651	$ 3,150,334	$ -	$ 9,065,985

See independent auditor's report.

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 2,974,816**	$ 2,969,956
Interest receivable	**24,440**	16,862
Due from Metro (Note 8)	**685,921**	382,778
Total assets	**$ 3,685,177**	$ 3,369,596
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 210,813**	$ 107,296
Retention payable	**75,794**	3,038
Accrued payroll and employee benefits	**1,495**	1,587
Total liabilities	**288,102**	111,921
Deferred inflows of resources		
Unavailable revenues	**685,921**	273,091
Total deferred inflows of resources	**685,921**	273,091
Fund balance		
Restricted	**2,711,154**	2,984,584
Total fund balance	**2,711,154**	2,984,584
Total liabilities, deferred inflows of resources and fund balance	**$ 3,685,177**	$ 3,369,596

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure R	**$ 995,126**	$ 1,013,233
Unrealized gain on investment	**215,434**	137,974
Measure R TOD Planning Grant (Note 12)	**1,211**	189,109
Measure R Fund Highway Grants (Note 13)	**321,714**	770,499
Total revenues	**1,533,485**	2,110,815
Expenditures		
Expenditures funded by MRLRF	**1,805,105**	452,002
Expenditures funded by Metro TOD Planning Grant (Note 12)	**-**	212,026
Expenditures funded by Measure R Fund Highway Grants (Note 13)	**1,810**	177,422
Total expenditures	**1,806,915**	841,450
Excess (deficiency) of revenues over expenditures	**(273,430)**	1,269,365
Fund balance at beginning of year	**2,984,584**	1,715,219
Fund balance at end of year	**$ 2,711,154**	$ 2,984,584

See notes to Funds financial statements.

City of Pico Rivera
Measure R 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
350	CIP 50052-ITS Master Plan	$ 10,000	$ -	$ 10,000	$ 50,726
380	Update Yellow Clearance Timing Sheets as part of Local Roadway Safety Plan (LRSP)	-	-	-	1,816
450	NonCIP 30056 - Historic Whittier Boulevard Bicycle and Pedestrian Bridge Study	15,000	8,620	6,380	4,308
630	Funding Administration/Engineering Support	50,000	51,934	(1,934)	34,976
705	CIP50106 Road Resurfacing Program - Overlay and Reconstruction Project	100,000	-	100,000	-
715	CIP 50079 - Whittier Blvd Underpass - Slope Repairs (East of Orange Street)	366,000	-	366,000	38,997
720	Annual Signing and Striping	-	-	-	2,459
720	Annual Signing and Striping Improvements FY 22-23	216,000	149	215,851	2,607
720	Annual Signing and Striping Improvements FY 23-24	450,000	435,070	14,930	-
725	Annual Sidewalk Improvements Project FY 22-23	-	-	-	109,202
725	Annual Sidewalk Improvements Project FY 23-24	400,000	-	400,000	-
730	Telegraph Road Complete Streets Study	5,000	-	5,000	-
730	Rosemead Blvd Complete Street and Bus Rapid Transit Update	30,000	-	30,000	-
755	Major Corridors Median and Parkway	-	-	-	60,770
755	CIP 50076 - Major Corridors Median and Parkway Beautification Project	1,089,000	1,089,230	(230)	-
760	Major Arterials signing and striping	40,000	-	40,000	-
760	Citywide sign audit and roadway safety sign enhancement project	293,000	29,313	263,687	2,226
760	Sign replacement under the streets division, signage replacement, installation, and inventory.	-	-	-	18,845
780	Historic Whittier Boulevard Multimodal Revitalization Plan	15,000	-	15,000	17,302
780	NonCIP 4687 - Develop Historic Whittier Boulevard Multimodal Revitalization Plan	25,015	-	25,015	-
780	Engineering Studies Citywide	50,000	62,070	(12,070)	81,139
780	Washington Blvd Coalition Project	-	-	-	14,920
780	Repair of Telegraph Road over Rio Hondo Channel - Bridge No. 53C0156(0993) - Basis of Design	200,000	-	200,000	620
805	Pico Rivera Regional Bikeway Project-CIP 21280	129,000	128,719	281	11,089
	Total expenditures	$ 3,483,015	$ 1,805,105	$ 1,677,910	$ 452,002

See independent auditor's report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2013	Residential Resurfacing Project - Phase D	$ 148,125	$ -	$ -	$ 148,125
2015	Construction in Progress - Various Projects	701,696	-	-	701,696
2015	Rio Vista Park	125,000	-	-	125,000
2015	Residential Resurfacing Project	843,349	-	-	843,349
2015	Entrance Monument Replacement	221,914	-	-	221,914
2015	Slauson Ave Street Improvement	53,709	-	-	53,709
2015	Annual Sidewalk Improvement	100,000	-	-	100,000
2020	Reconstruction of Residential Streets, Phase H	-	65,997	-	65,997
2021	Annual Signing and Striping FY 20-21	-	94,820	-	94,820
2021	Capital Improvement Program, Annual Sidewalk Project	-	280,339	-	280,339
2021	Annual Signing and Striping Project FY 18-19	-	118,821	-	118,821
2021	City of Pico Rivera SSARP (Safety Analysis) Project	-	26,651	-	26,651
2022	Annual Sidewalk Replacement FY 20-21	-	411,167	-	411,167
2022	Rosemead/Slauson Intersection	-	2,500,996	-	2,500,996
2022	Rosemead/Washington Intersection	-	1,517,851	-	1,517,851
2023	Signing and Striping Project Citywide	-	72,817	-	72,817
2023	Senior Center ADA & Safety Improvements Parking Lot	-	3,490	-	3,490
2024	Annual Sidewalk Improvements Project	-	266,044	-	266,044
2024	Rosemead/Beverly Intersection	-	6,847,654	-	6,847,654
2025	Pico Rivera Regional Bikeway Project	-	499,989	-	499,989
	Total	$ 2,193,793	$ 12,706,636	$ -	$ 14,900,429

See independent auditor's report.

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 758,663**	$ -
Due from Metro (Note 8)	**271,010**	1,747,474
Interest receivable	**7,698**	194
Total assets	**$ 1,037,371**	$ 1,747,668
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	**$ 138,385**	$ 267,076
Due to General Fund	**-**	1,059,717
Accrued payroll and employee benefits	**2,167**	1,341
Total liabilities	**140,552**	1,328,134
Deferred inflows of resources		
Unavailable revenues	**271,010**	705,384
Total deferred inflows of resources	**271,010**	705,384
Fund balance (deficit)		
Restricted	**625,809**	(285,850)
Total fund balance (deficit)	**625,809**	(285,850)
Total liabilities, deferred inflows of resources and fund balance (deficit)	**$ 1,037,371**	$ 1,747,668

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure M	**$ 1,127,445**	$ 1,144,155
Unrealized gain on investment	**25,437**	23,518
Reimbursements from Metro (Note 10)	**1,492,775**	988,663
Total revenues	**2,645,657**	2,156,336
Expenditures		
Expenditures funded by MMLRF	**1,003,763**	913,028
Expenditures funded by other grants (Note 11)	**730,235**	2,022,213
Total expenditures	**1,733,998**	2,935,241
Excess (deficiency) of revenues over expenditures	**911,659**	(778,905)
Fund balance (deficit) at beginning of year	**(285,850)**	493,055
Fund balance (deficit) at end of year	**$ 625,809**	$ (285,850)

See notes to Funds financial statements.

City of Pico Rivera
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
350	CIP 50052 - ITS Master Plan	$ 31,000	$ 21,698	$ 9,302	$ 11,843
302	CIP 50111 Cidywide Traffic Signal Safety Enhancement Project	240,000	36,842	203,158	4,773
640	Funding Administration/Engineering Support	30,000	16,727	13,273	14,311
705	Street and Road Project Bond Remittance - (Debt Service Payment and Management Fees)	836,669	839,169	(2,500)	836,669
780	GIS Master Plan Implementation	20,000	21,022	(1,022)	24,965
780	Citywide Comprehensive Safety Action Plan (SS4A)	100,000	13,429	86,571	
780	Storm Drain Master Plan - CIP 50023			-	-
780	Underpass Improvements BOD Report	281,000	-	281,000	12,510
780	GIS Master Plan - CIP 50024	15,000	-	15,000	59
805	Pico Rivera Regional Bikeway Project	25,000	23,913	1,087	163
880	Coordination and Consultant Services	40,000	30,963	9,037	7,735
	Total expenditures	$ 1,618,669	$ 1,003,763	$ 614,906	$ 913,028

See independent auditor's report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2025	Pico Rivera Regional Bikeway Project	$ -	$ 497,922	$ -	$ 497,922
	Total	$ -	$ 497,922	$ -	$ 497,922

See independent auditor's report.

	June 30	
	2025	2024
ASSETS		
Due from Metro (Note 8)	**$ 66,508**	$ 30,224
Total assets	**$ 66,508**	$ 30,224
LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND FUND DEFICIT		
Liabilities		
Accounts payable	**$ 64,346**	$ 1,812
Due to other funds	**6,722**	3,588
Accrued payroll and employee benefits	**1,485**	420
Total liabilities	**72,553**	5,820
Deferred inflows of resources		
Unavailable revenues	**66,508**	30,224
Total deferred inflows of resources	**66,508**	30,224
Fund deficit		
Restricted	**(72,553)**	(5,820)
Total fund deficit	**(72,553)**	(5,820)
Total liabilities, deferred inflows of resources and fund deficit	**$ 66,508**	$ 30,224

See notes to Funds financial statements.

Statements of Revenues, Expenditures and Changes in Fund Balance

		Years ended June 30	
		2025	2024
Revenues			
Intergovernmental Allocations:			
Article 3		**$ 77,523**	$ 41,664
	Total revenues	**77,523**	41,664
Expenditures			
Pico Rivera Regional Bikeway Project		**144,256**	42,922
	Total expenditures	**144,256**	42,922
Deficiency of revenues over expenditures		**(66,733)**	(1,258)
Fund deficit at beginning of year		**(5,820)**	(4,562)
Fund deficit at end of year		**$ (72,553)**	$ (5,820)

See 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:					
Pico Rivera Regional Bikeway Project	2025	$ 77,523	$ 144,256	$ (66,733)	Ongoing
Totals		$ 77,523	$ 144,256	(66,733)	
Fund deficit at beginning of year				(5,820)	
Fund deficit at end of year				$ (72,553)	

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) 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.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and deferred inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Deferred inflows of resources reported by the City represent resources that are not available for spending as of June 30, 2025 and 2024.

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.

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 City's ACFR for a full description of risks relating to cash and investments.

NOTE 8 DUE FROM METRO

As of June 30, 2025 and 2024, the City has Due from Metro for the project reimbursement as follows:

PCLRF

	2025	2024
Telegraph Road Bridge Replacement Project (Note 11)	**$ 33,494**	$ -
PCLRF allocation	**-**	106,148
	$ 33,494	$ 106,148

NOTE 8 DUE FROM METRO (CONTINUED)

MRLRF

	2025	2024
Measure R Highway Grants (Note 13)	**$ 661,326**	$ 282,413
Measure R TOD Planning Grant (Note 12)	**24,595**	20,520
MRLRF allocation	**-**	79,845
	$ 685,921	$ 382,778

MMLRF

	2025	2024
Pico Rivera Regional Bikeway Project (Note 11)	**$ 247,892**	$ 1,656,950
Washington Boulevard Bridge Reconstruction Project (Note 11)	**23,118**	-
MMLRF allocation	**-**	90,524
	$ 271,010	$ 1,747,474

TDAA3F

	2025	2024
TDAA3F allocation	**$ 66,508**	$ 30,224
	$ 66,508	$ 30,224

NOTE 9 SALE OF CAPITAL ASSETS – PALRF

During FY2024/25, the City sold certain obsolete capital assets that had originally been acquired using PALRF. The assets were disposed of through a public auction, and the proceeds from the sale totaled $5,000.

NOTE 10 REIMBURSEMENTS FROM METRO

Reimbursements from Metro represent funds received towards various projects. The City initially used the LRF monies to fund these projects and recorded the receipts of the grants as reimbursements.

NOTE 10 REIMBURSEMENTS FROM METRO (CONTINUED)

The City recognized the following reimbursements for these projects during the years ended June 30, 2025 and 2024:

PCLRF

	2025	2024
Telegraph Road Bridge Replacement Project (Note 11)	$ 3,389	$ 56,289
	$ 3,389	$ 56,289

MMLRF

	2025	2024
Washington Boulevard Bridge Reconstruction Project (Note 11)	$ 1,492,775	$ 988,663
	$ 1,492,775	$ 988,663

NOTE 11 FUNDING AGREEMENTS WITH METRO

PCLRF

The City has an existing funding agreement (Funding Agreement No. 920000000F9122) with Metro dated December 22, 2017 and amended on November 16, 2021, to provide funding for the Telegraph Road Bridge Replacement Project (the Project). During the years ended June 30, 2025 and 2024, the City incurred $19,465 and $20,900, respectively, of expenditures for the said Project and intends to reimburse these amounts from Metro.

The project expenditures were recorded under PCLRF.

MMLRF

Measure M Multi-Year Subregional Programs (Pico Rivera Regional Bikeway Project). On January 3, 2023, the City entered into a funding agreement (Agreement) with Metro for Pico Rivera Regional Bikeway Project, Metro Project ID# MM4302.01 and FTIP# LAF7502. Metro's Board of Directors granted the Measure M funds in the amount of $2,697,000 for the project. 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.

Measure M Multi-Year Subregional Programs (Washington Boulevard Bridge Reconstruction Project). On July 1, 2023, the City entered into a funding agreement (Agreement) with Metro for the Washington Boulevard Bridge Reconstruction Project, Metro Project ID# MM5509.10 and FTIP# LA0G1106. Metro's Board of Directors granted the Measure M funds in the amount of $3,739,267 for the project. 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.

NOTE 11 FUNDING AGREEMENTS WITH METRO (CONTINUED)

During the years ended June 30, 2025 and 2024, the City incurred expenditures for these projects as follows:

	2025	2024
Pico Rivera Regional Bikeway Project	$ 704,348	$ 1,992,653
Washington Boulevard Bridge Reconstruction Project	25,887	29,560
	$ 730,235	$ 2,022,213

NOTE 12 MEASURE R TRANSIT ORIENTED DEVELOPMENT (TOD) PLANNING GRANT PROGRAM

In June 2018, Metro Board approved funding for the "Washington and Rosemead Boulevards Gold Line Eastside Extension TOD Plan - Metro Transit Oriented Development (TOD) Planning Grant Program". Under the agreement, Metro shall make a one-time grant of Measure R 2% System Improvements and/or Measure R 3% Metrolink based on project eligibility in the amount of $390,000. 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 revenues and expenditures from these projects during the years ended June 30, 2025 and 2024 as follows:

	2025	2024
Revenues	$ 1,211	$ 189,109
Expenditures	-	212,026

NOTE 13 MEASURE R HIGHWAY GRANTS

In March 2014, Metro Board approved funding for Project Approval and Environmental Documentation (PAED), Plans, Specifications, and Estimates (PSE), Right of Way (ROW), and Construction phases of the following projects:

Project Description	MOU No.	Agreement No.	Year ended June 30, 2025 Revenues	Year ended June 30, 2025 Expenditures
Rosemead Boulevard/Beverly Boulevard Intersection Improvements	MOU.MR315.05	14-1490	$ 321,714	$ 1,810
			$ 321,714	$ 1,810

NOTE 13 MEASURE R HIGHWAY GRANTS (CONTINUED)

Project Description	MOU No.	Agreement No.	Year ended June 30, 2024 Revenues	Expenditures
Rosemead Boulevard/Beverly Boulevard Intersection Improvements	MOU.MR315.05	14-1490	$ 546,882	$ 177,422
Rosemead Boulevard/Slauson Avenue Intersection Improvements	MOU.MR315.21	14-1492	142,743	-
Rosemead Boulevard/Washington Boulevard Intersection Improvements	MOU.MR315.19	14-1493	80,874	-
			$ 770,499	$ 177,422

Under the agreements, to the extent the Measure R funds are available, Metro will grant the City Measure R funds for these Projects. 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 $321,714 and $770,499 of revenues from these projects during the years ended June 30, 2025 and 2024, respectively.

NOTE 14 LOCAL TRANSPORTATION SALES TAX REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2018 – PCLRF, MRLRF and MMRLF

In August 2018, the City issued $14,695,000, Local Transportation Sales Tax Revenue Certificates of Participation, Series 2018. The proceeds will be used to finance the design, acquisition, and construction of certain local roadway and street improvement projects within the jurisdiction, purchase a debt service reserve policy from the reserve fund for the Certificates and pay costs incurred in connection with the execution, sale and delivery of the Certificates.

PCLRF, MRLRF and MMLRF receipts have been pledged for the payment of the interest and principal on the bonds. Interest on the bonds is payable semi-annually each June 1 and December 1, beginning December 1, 2018. Principal matures each June 1 beginning 2019 and maturing in 2048. Interest rates on the bonds vary between 3.375% and 5.00%. Proceeds from the issuance were recorded under a separate Bond Fund of the City.

The table below shows the movement in the bond outstanding balance and interest payable for the years ended June 30, 2025 and 2024:

	Principal	Interest	Total
Outstanding balance as of June 30, 2023	$ 13,405,000	$ 7,440,343	$ 20,845,343
Principal and interest payment	(300,000)	(531,669)	(831,669)
Outstanding balance as of June 30, 2024	13,105,000	6,908,674	20,013,674
Principal and interest payment	(320,000)	(516,669)	(836,669)
Outstanding balance as of June 30, 2025	$ 12,785,000	6,392,005	19,177,005

NOTE 14 LOCAL TRANSPORTATION SALES TAX REVENUE CERTIFICATES OF PARTICIPATION, SERIES 2018 – PCLRF, MRLRF and MMRLF (CONTINUED)

For the years ended June 30, 2025 and 2024, principal and interest payments were made under the MMLRF.

The following is the movement in the bond's cash and investments and fund balance for the years ended June 30, 2025 and 2024 under the separate Bond Fund:

	2025	2024
Fund balance at beginning of year	**$ 5,123,974**	$ 5,087,501
Interest income earned	**203,411**	257,233
Debt service fee during the year	**(836,669)**	(831,669)
Management administrative fee during the year	**(2,500)**	(2,500)
Project expenditures during the year	**(3,928,385)**	(223,260)
Transfer in from LRF	**839,169**	836,669
Fund balance at end of year	**1,399,000**	5,123,974
Accounts payable and other liabilities	**254,921**	31,570
Cash balance at end of year	**$ 1,653,921**	$ 5,155,544

Details of project expenditures paid under the separate Bond Fund for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
CIP Overlay and Reconstruction	**$ 3,228,385**	$ -
Pico Rivera Regional Bikeway	**700,000**	-
Residential Resurfacing	**-**	58,811
CIP Overlay Improvements - Whittier Blvd	**-**	164,449
	$ 3,928,385	$ 223,260

NOTE 15 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION

The revenue allocations for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
FY 2020/21 allocation	**$ -**	$ 17,628
FY 2021/22 allocation	**22,387**	24,036
FY 2022/23 allocation	**55,136**	-
	$ 77,523	$ 41,664

NOTE 16 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 2021/22 allocation	**$ -**	$ 22,387
FY 2022/23 allocation	**4,326**	59,462
FY 2023/24 allocation	**71,888**	71,888
FY 2024/25 allocation	**62,618**	-
Total reserve	**$ 138,832**	$ 153,737

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 17 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.

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+ 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 Pico Rivera, 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 Pico Rivera, 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

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

**To the Honorable Members of the City Council of the
City of Pico Rivera, California and the
Los Angeles County Metropolitan Transportation Authority**

Report on Compliance

Opinion

We have audited the City of Pico Rivera, 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 Pico Rivera, 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				
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		
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				
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				
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				

See independent auditor's report on compliance.

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				
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				
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 Pico Rivera representatives. Those in attendance were:

Vasquez and Company LLP representative:
Erica Ong – Senior Audit Manager
Mary Tanglao – Audit Supervisor
Ihab Fakhreddine – BCA Watsons Rice Audit Supervisor

City of Pico Rivera representatives:
Hazel De Guzman – Administrative Services Senior Manager
Lucy Lee – Accountant III

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 Pico Rivera representatives for comments prior to the issuance of the final report:

Jane Guo – Director of Administrative Services
Hazel De Guzman – Administrative Services Senior Manager
Lucy Lee – Accountant III

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

RE: CITY OF PICO RIVERA, 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 Pico Rivera 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

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