City of South Gate
Annual Financial Report of its

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

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

FINANCIAL SECTION

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VASQUEZ
+ COMPANY LLP

Independent Auditor's Report

To the Honorable Members of the City Council of the
City of South Gate, 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 South Gate, 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 South Gate, 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 South Gate, 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 19, 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 19, 2025

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 8,677,713**	$ 7,417,321
Due from General Fund	**-**	175,000
Interest receivable	**35,788**	40,214
Total assets	**$ 8,713,501**	$ 7,632,535
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 248,135**	$ 127,589
Total liabilities	**248,135**	127,589
Fund balance		
Restricted	**8,465,366**	7,504,946
Total fund balance	**8,465,366**	7,504,946
Total liabilities and fund balance	**$ 8,713,501**	$ 7,632,535

See notes to Funds financial statements.

	Years ended June 30	
	2024	2024
Revenues		
Proposition A	**$ 2,430,440**	$ 2,472,891
Proposition A Discretionary Incentive Program Grant (Note 8)	**160,309**	288,330
Investment income	**306,546**	252,287
Project generated revenues (Note 9)	**93,363**	98,577
Vehicle lease revenues (Note 10)	**90,000**	82,500
Total revenues	**3,080,658**	3,194,585
Expenditures		
Various projects	**2,120,238**	1,766,828
Total expenditures	**2,120,238**	1,766,828
Excess of revenues over expenditures	**960,420**	1,427,757
Fund balance at beginning of year	**7,504,946**	6,077,189
Fund balance at end of year	**$ 8,465,366**	$ 7,504,946

See notes to Funds financial statements.

City of South Gate
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
105	Fixed Route Bus Service to Local Destinations	$ 1,037,674	$ 784,513	$ 253,161	$ 518,837
108	Phone-A-Ride	854,390	784,808	69,582	712,617
120	MTA Bus Pass Sales	25,380	7,565	17,815	9,523
155	Recreation Excursions	85,600	88,780	(3,180)	84,452
170	Landscape Main	-	-	-	54,433
170	Maintenance of Bus Stops	90,445	30,924	59,521	-
250	Southeast Gateway Line First-Last Mile	331,797	-	331,797	-
470	Orange Line (JPA) Invoice	-	-	-	37,282
610	Administration	687,072	415,533	271,539	349,684
610	Traffic Development Impact Fee Study	-	8,115 *	(8,115)	-
	Total expenditures	$ 3,112,358	$ 2,120,238	$ 992,120	$ 1,766,828

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

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
2021	3 Buses	$ 447,556	$ -	$ -	$ 447,556
	Total	$ 447,556	$ -	$ -	$ 447,556

See Independent Auditor's Report.

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 4,328,551**	$ 5,712,065
Interest receivable	**30,503**	41,552
Due from Metro	**-**	161,116
Total assets	**$ 4,359,054**	$ 5,914,733
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 32,963**	$ 158,374
Total liabilities	**32,963**	158,374
Fund balance		
Restricted	**4,326,091**	5,756,359
Total fund balance	**4,326,091**	5,756,359
Total liabilities and fund balance	**$ 4,359,054**	$ 5,914,733

See notes to Funds financial statements.

		Years ended June 30	
		2025	2024
Revenues			
Proposition C		**$ 2,015,988**	$ 2,051,206
Investment income		**273,926**	271,129
	Total revenues	**2,289,914**	2,322,335
Expenditures			
Various projects		**3,720,182**	2,506,480
	Total expenditures	**3,720,182**	2,506,480
Deficiency of revenues over expenditures		**(1,430,268)**	(184,145)
Fund balance at beginning of year		**5,756,359**	5,940,504
Fund balance at end of year		**$ 4,326,091**	$ 5,756,359

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
250	West Santa Ana Branch Light Rail	$ 194,855	$ -	$ 194,855	$ -
302	Replacement of Damaged Traffic Signal Poles at the Intersections	-	-	-	194,198
303	Tweedy Boulevard Traffic Signal Synchronization Project	-	47,124 *	(47,124)	354,527
304	Replacement of Damaged Traffic Signal Poles	120,972	2,339	118,633	-
380	Uncontrolled Marked School/Pedestrian Crosswalk Safety Enhancement Project	10,000	-	10,000	-
470	Annual Public Works Women's Leadership Conference	2,000	1,497	503	-
470	Gateway Cities Council of Government Invoice	25,000	25,000	-	25,000
470	Gateway Cities Council of Government Membership	19,404	19,404	-	17,200
470	As-needed Publications for Prop C projects	13,000	3,593	9,407	-
620	Administrative Allocation	171,598	111,893	59,705	175,404
620	As-Needed Grant Writing Services	50,000	36,932	13,068	-
620	Transportation Demand Management Study	400,000	-	400,000	-
620	Traffic Development Impact Fee Study	-	8,115 *	(8,115)	-
705	Citywide Thermoplastic Striping of Streets	228,963	55,748	173,215	-
705	Thermoplastic Striping of Streets Citywide (654-ST)	-	-	-	154,582
705	LA County Bridge Maintenance	-	-	-	36,484
705	Citywide Roadway Maintenance by City Forces	-	-	-	247,435
710	Firestone Boulevard Over Los Angeles River Bridge Widening, Phase IV	14,504	-	14,504	-
710	Firestone Boulevard Capacity Improvements	-	-	-	328,061
715	Tweedy Mile Complete Streets, Phase I	2,585,082	2,585,082	-	-
715	Street Improvements on Garfield and Imperial Highway	693,427	11,910	681,517	-
715	Tweedy Boulevard Complete Street Phase II	350,000	200,209	149,791	
715	LA County Bridge Maintenance	267,743	17,357	250,386	-
715	Rio Hondo Channel Homeless Encampment Mitigation	100,000	2,700	97,300	-
715	Illuminated Street Name Sign Replacement	25,000	24,848	152	55,389
715	WSAB LRT Station First-Last Mile Bikeway Safety and Access	650,000	1,100	648,900	
715	Firestone Boulevar Median Island Alameda Street to Los Angeles River	35,000	13,723	21,277	-
720	Comprehensive Safety Action & Local Roadway Safety Plan	197,460	159,795	37,665	-
725	Atlantic Avenue Parking Modifications	30,000	-	30,000	-
730	Long Beach Boulevard Pedestrian and Median Improvements	1,141,800	22,226	1,119,574	258,200
730	Garfield Avenue Complete Streets	452,053	369,587	82,466	622,000
730	State Street Complete Streets	50,000	-	50,000	-
780	Traffic Engineering Services	38,000	-	38,000	-
780	Citywide Speed Survey	100,000	-	100,000	38,000
	Total expenditures	$ 7,965,861	$ 3,720,182	$ 4,245,679	$ 2,506,480

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

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
N/A	None	$ -	$ -	$ -	$ -
	Total	$ -	$ -	$ -	$ -

See Independent Auditor's Report.

	June 30	
	2025	2024
ASSETS		
Cash and investments	**$ 2,654,366**	$ 2,399,608
Due from Metro	**3,789**	121,192
Due from other agencies	**-**	3,789
Interest receivable	**13,176**	29,320
Total assets	**$ 2,671,331**	$ 2,553,909
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 154,425**	$ 58,883
Retention payable	**3,789**	3,789
Total liabilities	**158,214**	62,672
Fund balance		
Restricted	**2,513,117**	2,491,237
Total fund balance	**2,513,117**	2,491,237
Total liabilities and fund balance	**$ 2,671,331**	$ 2,553,909

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure R	**$ 1,511,711**	$ 1,537,923
Investment income	**143,813**	223,439
Total revenues	**1,655,524**	1,761,362
Expenditures		
Various projects	**1,633,644**	3,999,212
Total expenditures	**1,633,644**	3,999,212
Excess (deficiency) of revenues over expenditures	**21,880**	(2,237,850)
Fund balance at beginning of year	**2,491,237**	4,729,087
Fund balance at end of year	**$ 2,513,117**	$ 2,491,237

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	Replacement of Damaged Traffic Signal Poles at the Intersection	$ -	$ -	$ -	$ 205,904
630	Administrative Expense	365,621	311,014	54,607	154,766
630	As Needed Grant Writing Services	50,000	16,420	33,580	-
705	Citywide Roadway Maintenance by City Forces	1,626,144	852,841	773,303	835,406
705	Citywide Residential Resurfacing Phase V	100,000	-	100,000	-
705	Citywide Residential Resurfacing Phase IV	70,000	-	70,000	-
705	Citywide Residential Resurfacing, Phase I	147,000	46,745	100,255	-
705	Alameda Street Complete Streets	112,234	6,722	105,512	-
705	Citywide Residential Resurfacing, Phase II	51,357	39,592	11,765	-
715	Chakemco/Atlantic Intersection Sidewalk Improvements	75,000	138	74,862	-
715	Tweedy Mile Complete Streets	200,000	200,000	-	-
715	Citywide Residential Resurfacing Phase II	-	-	-	83,643
715	Firestone Boulevar Median Island Alameda Street	198,448	128,448	70,000	-
715	San Gabriel Avenue Safety Study	30,000	-	30,000	-
720	Street Lights Improvements Pilot Program	21,057	-	21,057	67,806
720	Long Beach Boulevard Improvements	13,380	13,380	-	941,973
720	Firestone Blvd Median Island Alameda/LA	103,380	2,049	101,331	1,369,552
760	As Needed Replacement of Entrance	33,076	16,295	16,781	-
730	Alameda St. Complete Street	-	-	-	316,598
765	Pavement Management System	-	-	-	23,564
780	Systematic Safety Analysis Report (HSIP)	5,537	-	5,537	-
	Total expenditures	$ 3,202,234	$ 1,633,644	$ 1,568,590	$ 3,999,212

See Independent Auditor's Report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
N/A	None	$ -	$ -	$ -	$ -
	Total	$ -	$ -	$ -	$ -

See Independent Auditor's Report.

	June 30 2025	June 30 2024
ASSETS		
Cash and investments	**$ 2,216,041**	$ 2,303,216
Interest receivable	**10,407**	18,040
Due from Metro	**-**	137,400
Total assets	**$ 2,226,448**	$ 2,458,656
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	**$ 107,717**	$ 120,470
Total liabilities	**107,717**	120,470
Fund balance		
Restricted	**2,118,731**	2,338,186
Total fund balance	**2,118,731**	2,338,186
Total liabilities and fund balance	**$ 2,226,448**	$ 2,458,656

See notes to Funds financial statements.

	Years ended June 30	
	2025	2024
Revenues		
Measure M	**$ 1,712,718**	$ 1,736,643
Investment income	**104,068**	126,175
Total revenues	**1,816,786**	1,862,818
Expenditures		
Various projects	**2,036,241**	2,295,972
Total expenditures	**2,036,241**	2,295,972
Deficiency of revenues over expenditures	**(219,455)**	(433,154)
Fund balance at beginning of year	**2,338,186**	2,771,340
Fund balance at end of year	**$ 2,118,731**	$ 2,338,186

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
250	West Santa Ana Branch Light Rail	$ 50,000	$ -	$ 50,000	$ -
390	Thermoplastic Striping of Streets Citywide	30,000	-	30,000	-
640	Administrative Allocation	-	-	-	9,123
640	As Needed Grant Writing	50,000	-	50,000	
705	Citywide Residential Resurfacing Phase I	83,993	83,993	-	191,782
705	Citywide Roadway Maintenance by City Forces	1,902,925	1,770,814	132,111	1,582,818
705	Citywide Residential Resurfacing Phase II	11,524	-	11,524	-
705	Citywide Residential Resurfacing Phase III	137,044	20,942	116,102	-
705	Citywide Residential Resurfacing Phase IV	20,817	-	20,817	-
730	Garfield Avenue Complete Streets Project	190,672	84,408	106,264	506,921
730	Tweedy Mile Complete Streets Phase II	74,840	74,840	-	5,328
760	As Needed Replacement of Entrance Monuments	30,000	1,244	28,756	-
	Total expenditures	$ 2,581,815	$ 2,036,241	$ 545,574	$ 2,295,972

See Independent Auditor's Report.

Date Acquired	Description	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
N/A	None	$ -	$ -	$ -	$ -
	Total	$ -	$ -	$ -	$ -

	June 30	
	2025	2024
ASSETS		
Due from Metro	**$ -**	$ 100,000
Total assets	**$ -**	$ 100,000
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND DEFICIT		
Liabilities		
Due to other funds	**$ 87,756**	$ 337,756
Total liabilities	**87,756**	337,756
Deferred inflow of resources		
Unavailable revenue	**-**	100,000
Total deferred inflow of resources	**-**	100,000
Fund deficit		
Restricted	**(87,756)**	(337,756)
Total fund deficit	**(87,756)**	(337,756)
Total liabilities, deferred inflow of resources and fund deficit	**$ -**	$ 100,000

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	**$ 124,800**	$ -
Total revenues	**124,800**	-
Expenditures		
Various projects	**53,936**	337,756
Total expenditures	**53,936**	337,756
Excess (deficiency) of revenues over expenditures	**70,864**	(337,756)
Other financing source		
Transfer in	**179,136**	337,756
Total other financing source	**179,136**	337,756
Change in fund balance	**250,000**	-
Fund deficit at beginning of year	**(337,756)**	-
Fund deficit at end of year	**$ (87,756)**	$ (337,756)

See notes to Funds financial statements.

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

Project Description	Program Year	Totals to Date Allocations	Totals to Date Expenditures	Totals to Date Unexpended Allocations	Project Status
Local Allocations:					
Long Beach Pedestrian Improvements	2025	$ 124,800	$ 53,936	$ 70,864	Ongoing
Totals		$ 124,800	$ 53,936	70,864	
Transfer in				179,136	
Change in fund balance				250,000	
Fund deficit at beginning of year				(337,756)	
Fund deficit at end of year				$ (87,756)	

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.

NOTE 2 ANNUAL FINANCIAL STATEMENTS

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

NOTE 3 PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

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

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

NOTE 4 MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS

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

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

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

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS

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

NOTE 5 MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)

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

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

NOTE 6 TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

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

NOTE 7 CASH AND INVESTMENTS

The PALRF, PCLRF, MRLRF, MMLRF and TDAA3F cash balances were pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash account was separately maintained and interest income was apportioned to the participating funds based on the relationship of their average quarterly balances to the total of the pooled cash and investments.

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

NOTE 8 PROPOSITION A DISCRETIONARY INCENTIVE PROGRAM GRANT

The Proposition A Discretionary Incentive Program grant represents additional funds received from Metro for participating in the Voluntary NTD Program. The amounts received for the years ended June 30, 2025 and 2024 consisted of the following:

Agreement Date	Program Year	MOU Amount	Amount Received 2025	Amount Received 2024
5/1/2023	FY 2020/21	$ 288,330	**$ -**	$ 288,330
5/1/2024	FY 2021/22	$ 160,309	**160,309**	-
			$ 160,309	$ 288,330

The Proposition A Discretionary Incentive Program grants were recorded under PALRF.

NOTE 9 PROJECT GENERATED REVENUES

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

		2025		2024
Fare box revenue	**$**	**76,774**	$	80,381
Bus pass sales		**6,304**		7,936
Others		**10,285**		10,260
	$	**93,363**	$	98,577

NOTE 10 VEHICLE LEASE REVENUES – PALRF

The City entered into an agreement with Oldtimers Foundation (Oldtimers) to lease two equipped transit buses for the fixed route transit services. The buses will be operated, maintained and stored by Oldtimers and the City is compensated for the use of the buses. For the years ended June 30, 2025 and 2024, the City received $90,000 and $82,500, respectively, in vehicle lease revenues.

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 2019/20 allocation	**$**	**70,864**	$	-
FY 2020/21 allocation		**53,936**		-
	$	**124,800**	$	-

NOTE 12 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE RESERVE

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.

NOTE 12 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE RESERVE (CONTINUED)

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

	2025	2024	
FY 2019/20 allocation	**$ -**	$ 70,864	*
FY 2020/21 allocation	**-**	53,936	*
FY 2021/22 allocation	**71,049**	71,049	
FY 2022/23 allocation	**90,899**	90,899	
FY 2023/24 allocation	**109,111**	109,111	
FY 2024/25 allocation	**95,120**	-	
Total reserve	**$ 366,179**	$ 395,859	

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.

*For FY 2023/24, the claim form submitted was rejected. As a result, the FY 2019/20 and FY 2020/21 allocations were returned to reserve.

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 19, 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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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 South Gate, 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 South Gate, 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 19, 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 19, 2025

COMPLIANCE SECTION

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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 South Gate, California and the
Los Angeles County Metropolitan Transportation Authority**

Report on Compliance

Opinion

We have audited the City of South Gate, 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 South Gate, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2025.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

Management is responsible for the City's compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the City's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund and Transportation Development Act Article 3 Fund.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the requirements, which is described in the accompanying Schedule of Findings and Questioned Costs as Finding #2025-001. Our opinion is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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, as discussed below, we did identify certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the Guidelines on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the Guidelines will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Finding #2025-001 to be a significant deficiency.

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

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

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 19, 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			See Finding #2025-001
4. Timely use of funds.	X				
5. Administrative expenses are within the 20% cap.	X				
6. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A) or electronic equivalent.			X		
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		

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					
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				

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

See independent auditor's report on compliance.

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

PALRF & PCLRF: Finding #2025-001

Compliance Reference	Section I(C) Project Description Form (Form A) of the Proposition A and Proposition C Local Return Guidelines states that "Jurisdictions shall submit for approval a Project Description Form (Form A) or its electronic equivalent prior to the expenditure of funds for 1) a new project; 2) a new route; 3) a 25 percent change (increase or decrease) in route or revenue vehicle miles for an established LR funded transit service; 4) a 0.75 miles or greater service change that duplicates/overlays an existing transit service; or 5) a 25 percent or greater change in an approved LR project budget or scope on all operating or capital LR projects."
Condition	The City claimed expenditures under the following Proposition A project prior to approval from Metro. a. Project code 610, Traffic Development Impact Fee Study, totaling $8,115 Further, the City claimed expenditures under the following Proposition C projects prior to approval from Metro. b. Project code 303, Tweedy Boulevard Traffic Signal Synchronization, totaling $47,124; and c. Project code 620, Traffic Development Impact Fee Study, totaling $8,115. Although we found the expenditures to be eligible for Local Return funding, these projects had no prior approval from Metro. This is a repeat finding for PCLRF from prior year.
Cause	The City did not anticipate incurring eligible expenditures for these projects. The City was not able to submit a budget request for Metro's approval until after June 30, 2025.
Effect	The City claimed expenditures totaling $8,115 of Proposition A LR funds and $55,239 of Proposition C LR funds prior to approval by Metro. The City did not comply with the Guidelines.
Recommendation	We recommend the City establish procedures and internal controls to ensure that approval is obtained from Metro prior to spending on Local Return-funded projects.

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

Management's Response	The City submitted Budget Requests via LRMS and obtained retroactive approval of the budgets for said projects on October 13, 2025.
Finding Corrected During the Audit	Retroactive approval of the said projects was obtained via LRMS on October 13, 2025. No additional follow-up is required.

EXIT CONFERENCE

An exit conference was held on November 19, 2025 with the City of South Gate representatives. Those in attendance were:

Vasquez and Company LLP representatives:
Cristy Canieda – Partner
Mary Tanglao – Audit Supervisor

City of South Gate representatives:
Rick Pyles – Accounting and Finance Manager
Raul Rodriguez – Senior Financial Analyst
Adrian Alcala – Accountant

Matters discussed:

Results of the audit disclosed an instance of noncompliance with the Guidelines.

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

Rick Pyles – Accounting and Finance Manager
Raul Rodriguez – Senior Financial Analyst
Adrian Alcala – Accountant

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

RE: CITY OF SOUTH GATE, 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 South Gate and agreed with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

____
Name

____
Title

____
Date