

**COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND**

Financial Statements and
Supplementary Information
(With Independent Auditor's Reports Thereon)

For the Year Ended June 30, 2025

**COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND**
For the Year Ended June 30, 2025

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Independent Auditor's Report

To the Honorable Board of Supervisors
County of Los Angeles, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Local Transportation Fund, a custodial fund of the County of Los Angeles, California (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Local Transportation Fund of the County, as of June 30, 2025, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 (*Government Auditing Standards*). 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 County, and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Emphasis of Matter

As discussed in Note 2, the financial statements present only the Local Transportation Fund and do not purport to, and do not, present fairly the financial position of the County, as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year 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

The County's 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 opinion. 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 County'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Local Transportation Fund's financial statements. The Supplemental Schedule of Allocations and Disbursements is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Supplemental Schedule of Allocations and Disbursements is fairly stated, in all material respects, in relation to the 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 April 28, 2026, on our consideration of the County's internal control over financial reporting as it relates to the Local Transportation Fund, 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance as it relates to the Local Transportation Fund. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance as it relates to the Local Transportation Fund.

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Los Angeles, California
April 28, 2026

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COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Management’s discussion and analysis of the County of Los Angeles, California (County), Local Transportation Fund provides a narrative overview of the Local Transportation Fund’s financial activities for the year ended June 30, 2025. We encourage readers to consider this information in conjunction with the accompanying financial statements.

Financial Highlights

- During the current year, the Local Transportation Fund’s restricted net position held for claimants and unallocated amounts decreased by \$279.3 million to \$465.4 million.
- Sales taxes of \$514.5 million were received from the State of California and \$23.8 million was earned on investments.
- Transportation subsidies totaling \$803.3 million were paid to 66 different cities and jurisdictions and \$14.5 million was distributed for administrative and planning purposes.
- The Local Transportation Fund continues to have no short or long-term debt.

Financial Statement Overview

The Local Transportation Fund is accounted for as a custodial fund, a fiduciary type fund of the County. In its custodial capacity, the County holds the Local Transportation Fund assets in connection with its fiduciary responsibilities to other local governments, in this case, the Los Angeles County Metropolitan Transportation Authority (LACMTA). Custodial funds are recorded on an accrual basis of accounting.

In addition to the financial statements, this report contains notes to the financial statements, which provide additional information that is essential for a full understanding of the data provided in the financial statements. The supplemental schedule of allocations and disbursements is presented for purposes of additional analysis and is not a required part of the financial statements.

Financial Analysis

Statements of Fiduciary Net Position
(In thousands)

	June 30,	
	2025	2024
Assets		
Pooled cash and investments	\$ 371,172	\$ 649,455
Sales tax receivable	90,629	88,485
Interest receivable	3,590	6,802
Total Assets	465,391	744,742
Net Position		
Amounts allocated to claimants	258,419	451,412
Unallocated amounts	206,972	293,330
Total net position	\$ 465,391	\$ 744,742

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Management's Discussion and Analysis (Unaudited)(Continued)
For the Year Ended June 30, 2025

Total assets of the Local Transportation Fund decreased by 37.5% from the prior year to \$465.4 million, due to a \$278.3 million decrease in pooled cash and investments, a \$3.2 million decrease in interest receivable, and slightly offset by a \$2.1 million increase in sales taxes receivable. Pooled cash and investments decreased as a result of significant increase in transportation subsidies contributing to total deductions exceeding total additions during the year.

Statements of Changes in Fiduciary Net Position
(In thousands)

	For the Year Ended June 30,	
	2025	2024
Additions:		
Sales taxes	\$ 514,467	\$ 535,583
Reimbursement from claimants	211	4,668
Interest income	23,758	21,388
Total additions	538,436	561,639
Deductions:		
Transportation subsidies	803,293	233,493
Administrative and planning	14,494	14,879
Total deductions	817,787	248,372
Change in net position	(279,351)	313,267
Net position:		
Beginning of year	744,742	431,475
End of year	\$ 465,391	\$ 744,742

Total additions of the Local Transportation Fund decreased by 4.1% from the prior year to \$538.4 million. The primary source of additions was sales taxes and it significantly decreased by \$21.1 million due to economic factors such as higher operational costs for businesses, consumer behavior and concerns over inflation and potential tariffs. The decrease in additions also came from reimbursement from claimants for unspent funding, which is \$4.5 million lower than prior year. Interest income on pooled cash and investments increased by \$2.4 million. Total deductions increased by 229.3% from the prior year to \$817.8 million, due to \$569.8 million increase in transportation subsidies as a result of increase in the allocation disbursements for projects started during the fiscal year.

Contacting the Local Transportation Fund's Financial Management

This financial report is designed to provide citizens and other interested parties with a general overview of the Local Transportation Fund's finances and to demonstrate accountability for the monies held in the County's care. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Los Angeles, California, 90012.

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Statement of Fiduciary Net Position
For the Year Ended June 30, 2025

Assets:	
Pool cash and investments (Note 3)	\$ 371,172,130
Sales taxes receivable	90,628,758
Interest receivable	3,590,205
Total Assets	465,391,093
Net Position:	
Restricted:	
Amounts allocated to claimants	258,419,507
Unallocated amounts	206,971,586
Total Net Position	\$ 465,391,093

See Accompanying Notes to Financial Statements.

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Schedule of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

Additions:	
Sales taxes	\$ 514,466,402
Reimbursement from claimants	210,591
Interest income	23,758,241
Total additions	538,435,234
Deductions:	
Transportation subsidies	803,292,667
Administrative and planning	14,493,855
Total deductions	817,786,522
Change in Net Position	(279,351,288)
Net Position, Beginning of year	744,742,381
Net Position, End of year	\$ 465,391,093

See Accompanying Notes to Financial Statements.

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - GENERAL

The Local Transportation Fund, a custodial fund of the County of Los Angeles (County), was established in accordance with the provisions of the Transportation Development Act (the Act) as administered by the Department of Transportation, Division of Rail and Mass Transportation of the State of California. In accordance with provisions of the Act, sales tax distributions to the Local Transportation Fund are derived from ¼ cent of the general retail sales tax collected in the County by the State Board of Equalization for the period July 1, 2024 through June 30, 2025. Disbursements from the Local Transportation Fund are made by the County upon receipt of written allocation and disbursement instructions issued in accordance with the Act's provisions by the Los Angeles County Metropolitan Transportation Authority (LACMTA).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The Local Transportation Fund is accounted for as a custodial fund of the County, a fiduciary type fund. In this custodial capacity, the County holds Fund assets in connection with its fiduciary responsibilities to other local governments.

Custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Additions are recorded when earned and deductions are recorded when liability is incurred, regardless of the timing of the related cash flows.

The Local Transportation Fund's financial statements are intended to present the fiduciary net position and changes in fiduciary net position of only those transactions attributable to the County's Fund, and are not intended to present fairly the financial position, the changes in financial position, or, where applicable, the cash flows of the County.

Fiduciary Net Position

The fiduciary net position reflected on the accompanying statement of fiduciary net position includes amounts received from the State Board of Equalization, but not allocated and amounts allocated for which the County is awaiting final instructions from LACMTA before distribution to the claimants.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that may affect certain reported assets and liabilities. Actual results could differ from those estimates.

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Notes to Financial Statements (Continued)
For the Year Ended June 30, 2025

NOTE 3 – POOLED CASH AND INVESTMENTS

California Government Code Sections 53601 and 53635 authorize the County Treasurer to invest the External Investment Pool (Pool) and Specific Purpose Investment funds in obligations of the United States Treasury, federal agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, forwards, futures, options, shares of beneficial interest of a Joint Powers Authority that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds registered with the Securities and Exchange Commission, securities lending agreements, the State of California's Local Agency Investment Fund, and supranational institutions. California Government Code Section 53534 authorizes the County Treasurer to enter into interest rate swap agreements. However, these agreements should only be used in conjunction with the sale of the bonds approved by the Board. As permitted by the California Government Code, the County Treasurer developed, and the Board adopted, an Investment Policy that further defines and restricts the limits within which the County Treasurer may invest. The investments are managed by the County Treasurer, which reports investment activity to the Board on a monthly basis. In addition, the County Treasurer's investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting. The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2025, to support the value of shares in the Pool.

The Local Transportation Fund's share of the County Treasury's total pooled cash and investments is included in the accompanying statement of fiduciary net position under "Pooled Cash and Investments," which totaled \$371,172,130 at June 30, 2025, and represents approximately 0.65% of the total Pool. The Pool is not rated as of June 30, 2025. The weighted average to maturity of the Pool as of June 30, 2025 is 1.44 years. Additional information regarding the interest rate, credit, concentration of credit risks and fair value hierarchy of the County's cash and investments pool can be found in the notes to the County's basic financial statements.

**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 Board of Supervisors
County of Los Angeles, California

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of the Local Transportation Fund, a custodial fund of the County of Los Angeles, California (County), as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated April 28, 2026. Our report includes an emphasis of matter paragraph indicating that the financial statements present only the Local Transportation Fund of the County.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Local Transportation Fund’s financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Local Transportation Fund’s financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control as it relates to the Local Transportation Fund. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control as it relates to the Local Transportation Fund.

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 Local Transportation Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including applicable provisions of the Public Utilities Code (Sections 99230-99251), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Los Angeles, California
April 28, 2026

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Supplementary Schedule of Allocations and Disbursements
Year Ended June 30, 2025

Claimant	Total Allocations	Disbursements				Total Current Year Disbursements	Total Current Year Reimbursements
		Administrative and Planning	Article 3	Article 4	Article 8A		
Agoura Hills	\$ 20,309	\$ -	\$ 20,309	\$ -	\$ -	\$ 20,309	\$ -
Arcadia	555,677	-	92,688	462,989	-	555,677	-
Avalon	238,896	-	5,000	-	233,896	238,896	-
Azusa	100,599	-	100,599	-	-	100,599	-
Baldwin Park	55,975	-	55,853	-	-	55,853	122
Bell Gardens	34,790	-	34,790	-	-	34,790	-
Bellflower	90,000	-	90,000	-	-	90,000	-
Beverly Hills	105,223	-	105,223	-	-	105,223	-
Bradbury	5,000	-	5,000	-	-	5,000	-
Burbank	134,924	-	134,924	-	-	134,924	-
Calabasas	91,317	-	91,317	-	-	91,317	-
Carson	75,686	-	75,686	-	-	75,686	-
Claremont	28,701	-	28,701	-	-	28,701	-
Commerce	784,656	-	12,367	772,289	-	784,656	-
Compton	74,823	-	74,823	-	-	74,823	-
Culver City Muni Bus Lines	7,732,127	-	40,754	7,691,373	-	7,732,127	-
Diamond Bar	27,098	-	27,098	-	-	27,098	-
Duarte	23,416	-	23,416	-	-	23,416	-
El Monte	65,316	-	65,316	-	-	65,316	-
El Segundo	15,000	-	15,000	-	-	15,000	-
Foothill Transit	34,648,106	-	-	34,648,106	-	34,648,106	-
Gardena	11,461,453	-	61,421	11,400,032	-	11,461,453	-
Glendale	245,220	-	245,220	-	-	245,220	-
Glendora	178,785	-	178,785	-	-	178,785	-
Lakewood	98,085	-	98,085	-	-	98,085	-
Lomita	19,276	-	19,276	-	-	19,276	-
Long Beach	21,278,672	-	852,500	20,426,172	-	21,278,672	-
L. A. City Treasurer	4,107,095	-	4,107,095	-	-	4,107,095	-
LACMTA	626,688,593	10,018,855	-	616,669,738	-	626,688,593	-
LACO - ACCTG	140,000	140,000	-	-	-	140,000	-
LA Canada Flintridge	20,473	-	20,473	-	-	20,473	-
LA County Public Works	10,136,755	-	1,906,562	-	8,230,193	10,136,755	-

COUNTY OF LOS ANGELES, CALIFORNIA
LOCAL TRANSPORTATION FUND
Supplementary Schedule of Allocations and Disbursements (Continued)
Year Ended June 30, 2025

Claimant	Total Allocations	Disbursements				Total Current Year Disbursements	Total Current Year Reimbursements
		Administrative and Planning	Article 3	Article 4	Article 8A		
Hawaiian Gardens	5,159	-	5,159	-	-	5,159	-
Hawthorne	88,000	-	88,000	-	-	88,000	-
Hermosa Beach	18,499	-	18,499	-	-	18,499	-
Hidden Hills	10,000	-	10,000	-	-	10,000	-
Irwindale	5,000	-	5,000	-	-	5,000	-
LA Mirada	668,693	-	49,192	619,501	-	668,693	-
LA Puente	10,000	-	10,000	-	-	10,000	-
Lynwood	166,525	-	166,525	-	-	166,525	-
Monrovia	49,280	-	49,280	-	-	49,280	-
Montebello	11,712,304	-	63,306	11,648,998	-	11,712,304	-
Monterey Park	5,547	-	5,547	-	-	5,547	-
Norwalk	4,429,420	-	57,100	4,372,320	-	4,429,420	-
Palmdale	10,564,290	-	169,290	-	10,395,000	10,564,290	-
Paramount	53,585	-	53,585	-	-	53,585	-
Pasadena	145,190	-	145,190	-	-	145,190	-
Pico Rivera	77,523	-	77,523	-	-	77,523	-
Pomona	116,353	-	116,353	-	-	116,353	-
Rancho Palos Verdes	35,000	-	35,000	-	-	35,000	-
Redondo Beach	928,667	-	-	928,667	-	928,667	-
Rolling Hills	10,658	-	10,658	-	-	10,658	-
Rosemead	50,028	-	50,028	-	-	50,028	-
San Dimas	24,279	-	24,279	-	-	24,279	-
Santa Fe Springs	19,077	-	19,077	-	-	19,077	-
San Fernando	42,417	-	42,417	-	-	42,417	-
San Gabriel	15,000	-	15,000	-	-	15,000	-
San Marino	19,000	-	19,000	-	-	19,000	-
Santa Clarita	25,478,025	-	231,924	-	25,035,632	25,267,556	210,469
Santa Monica's Big Blue Bus	30,331,137	-	261,589	30,069,548	-	30,331,137	-
SCAG	4,335,000	4,335,000	-	-	-	4,335,000	-
South Gate	124,800	-	124,800	-	-	124,800	-
Torrance	8,889,181	-	146,900	8,742,281	-	8,889,181	-
Vernon	15,000	-	15,000	-	-	15,000	-
Walnut	25,000	-	25,000	-	-	25,000	-
West Covina	149,650	-	149,650	-	-	149,650	-
Westlake Village	8,140	-	8,140	-	-	8,140	-
Whittier	89,640	-	89,640	-	-	89,640	-
Total	\$ 817,997,113	\$ 14,493,855	\$ 10,945,932	\$ 748,452,014	\$ 43,894,721	\$ 817,786,522	\$ 210,591