



**Metro**<sup>TM</sup>

**County of Los Angeles  
Annual Financial Report of its**

**Proposition A Local Return Fund  
Proposition C Local Return Fund  
Measure R Local Return Fund  
Transportation Development Act Article 3 Fund  
Transportation Development Act Article 8 Fund  
Hollywood Bowl Park and Ride Regional Transit Project**

**As of and for the Year Ended June 30, 2016  
with Report of Independent Auditors**

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**FINANCIAL SECTION**

## Report of Independent Auditors

### To the Honorable Members of the Board of Supervisors of the County of Los Angeles, California and the Los Angeles County Metropolitan Transportation Authority

#### Report on the Financial Statements

We have audited the accompanying financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Transportation Development Act Article 3 Fund and Transportation Development Act Article 8 Fund (collectively, the Funds), of the County of Los Angeles, California (the County) which comprise the Funds' balance sheets as of June 30, 2016, and the related statements of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### ***Opinions***

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 Transportation Development Act Article 3 Fund and the Transportation Development Act Article 8 Fund of the County of Los Angeles, California, as of June 30, 2016 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matter***

The financial statements of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Transportation Development Act Article 3 Fund and Transportation Development Act Article 8 Fund as of and for the year ended June 30, 2015, were audited by other auditors, whose report, dated December 17, 2015, expressed an unmodified opinion on those statements.

### ***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 Transportation Development Act Article 3 Fund and the Transportation Development Act Article 8 Fund of the County and do not purport to, and do not present fairly the financial position of the County as of June 30, 2016, and the changes in its financial position 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.

### ***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.

The supplementary information identified in the table of contents 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. Such 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 auditing standards generally accepted in the United States of America. 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 20, 2016 on our consideration of the County'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 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 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 County's internal control over the Funds' financial reporting and compliance.

*Vasquez & Company LLP*

**Los Angeles, California  
December 20, 2016**

County of Los Angeles  
Proposition A Local Return Fund  
Balance Sheets

		June 30	
		2016	2015
<b>ASSETS</b>			
Cash and investments	\$	47,839,209	\$ 46,095,637
Accounts receivable		1,726,086	1,268,227
Interest receivable		100,859	86,001
Due from other funds		219,001	367,003
Advances to Internal Service Fund		191,900	193,700
<b>Total assets</b>	<b>\$</b>	<b>50,077,055</b>	<b>\$ 48,010,568</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	2,711,835	\$ 3,034,637
Due to other funds		672,034	781,190
<b>Total liabilities</b>		<b>3,383,869</b>	<b>3,815,827</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue		105,700	105,700
<b>Fund balance</b>			
Restricted		46,587,486	44,089,041
<b>Total fund balance</b>		<b>46,587,486</b>	<b>44,089,041</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$</b>	<b>50,077,055</b>	<b>\$ 48,010,568</b>

*See notes to Funds financial statements.*



**County of Los Angeles**  
**Proposition A Local Return Fund**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

	Years ended June 30	
	2016	2015
<b>Revenues</b>		
Proposition A	\$ 18,890,617	\$ 18,399,593
Proposition A Discretionary Incentive Grant	1,646,829	1,596,595
Other government grants	400,384	533,600
EZ Pass revenues	41,105	9,345
Service reimbursements	639,461	680,671
Rents and concessions	672	652
Interest income	361,968	288,833
Miscellaneous	4,961	11,223
Sale of capital assets	-	50,208
<b>Total revenues</b>	<b>21,985,997</b>	<b>21,570,720</b>
 <b>Expenditures</b>		
Various projects	19,487,552	20,080,785
<b>Total expenditures</b>	<b>19,487,552</b>	<b>20,080,785</b>
 Excess of revenues over expenditures	<b>2,498,445</b>	1,489,935
 Fund balance at beginning of year	<b>44,089,041</b>	42,599,106
 Fund balance at end of year	<b>\$ 46,587,486</b>	<b>\$ 44,089,041</b>

*See notes to Funds financial statements.*

**County of Los Angeles  
Proposition A Local Return Fund  
Supplementary Information  
Schedule of Expenditures – Actual and LACMTA Approved Project Budget  
Year ended June 30, 2016  
(With Comparative Actuals for 2015)**

Project Code	Project Name	2016		Variance	2015 Actual
		LACMTA Budget	Actual	Positive (Negative)	
110-002	Santa Clarita Valley Local Bus	\$ 1,600,000	\$ 1,186,175	\$ 413,825	\$ 1,297,427
110-003	Palos Verdes Peninsula Shuttle	450,000	401,108	48,892	401,828
110-004	South Bay Commuter	40,000	-	40,000	-
110-015	Antelope Valley Commuter	600,000	411,687	188,313	411,570
110-016	Santa Clarita Valley - Los Angeles Commuter	580,000	547,462	32,538	508,841
110-020	Boyle Heights/East Los Angeles DASH Shuttle	460,000	147,101	312,899	148,826
110-021	Unincorporated South Whittier Area Shuttle Service	800,000	646,614	153,386	550,177
110-023	Bassett/Avocado Heights Flex Route Shuttle Service	300,000	230,910	69,090	226,298
110-024	Marina del Rey Shuttle Pilot Program	100,000	37,403	62,597	35,475
110-109	Willowbrook Shuttle Service	1,500,000	747,176	752,824	714,297
110-110	Antelope Valley Bus Service	1,000,000	409,994	590,006	394,969
110-120	Rose Parade Shuttle Service	50,000	40,000	10,000	40,267
110-121	East Los Angeles Fixed Route Shuttle	1,300,000	1,167,982	132,018	1,179,911
110-18	Acton/Agua Dulce/Gorman Shuttle Program	150,000	78,681	71,319	76,436
110-26	East Valinda Shuttle	300,000	214,531	85,469	241,108
110-27	Lennox Shuttle	300,000	199,444	100,556	193,804
110-28	Athens Shuttle	300,000	203,926	96,074	211,401
110-29	Florence - Firestone/Walnut Park Shuttle	500,000	298,242	201,758	312,738
110-30	Baldwin Hills Parklands Shuttle Service	100,000	54,188	45,812	62,328
110-31	Los Angeles County - USC Medical Center Shuttle Service	250,000	189,281	60,719	168,477
120-011	Agoura Area Dial-A-Ride (DAR)	90,000	64,307	25,693	73,716
120-012	Mid-San Gabriel Paratransit	350,000	70,897	279,103	319,318
120-013	Santa Clarita Valley General Public	60,000	19,262	40,738	20,472
120-14	Florence - Firestone/Walnut Park Youth Program	30,000	-	30,000	-
130-003	Children's Court Shuttle	370,000	217,058	152,942	217,002
130-014	Rancho Los Amigos	500,000	276,198	223,802	373,063
130-020	Elderly and Disabled Paratransit	4,449,000	2,204,967	2,244,033	2,886,783
130-1	Los Nietos Community Shuttle Service	150,000	66,778	83,222	69,802
130-27	Santa Clarita Valley Elderly and Disabled DAR	300,000	149,239	150,761	168,608
140-005	Hollywood Bowl P/R Shuttle	4,000,000	1,946,410	2,053,590	2,022,852
140-007	Summer Beach Bus Program	500,000	377,947	122,053	369,596
140-017	Special Event Transportation	2,000,000	1,805,593	194,407	1,459,825
140-024	John Anson Ford Amphitheater Shuttle	75,000	2,156	72,844	40,883

*See report of independent auditors.*

County of Los Angeles  
Proposition A Local Return Fund  
Supplementary Information  
Schedule of Expenditures – Actual and LACMTA Approved Project Budget (Continued)  
Year ended June 30, 2016  
(With Comparative Actuals for 2015)

Project Code	Project Name	2016		Variance	2015 Actual
		LACMTA Budget	Actual	Positive (Negative)	
150-035	Installation of Rapid Bus Shelters in Unincorporated Area of L.A. County	\$ 1,500,000	\$ 55,256	\$ 1,444,744	\$ 7,285
150-44	Bus Stop Amenities and Improvement Program	5,000,000	1,500,195	3,499,805	1,803,016
200-31	Sunshine Shuttle: Purchase of Vehicles	1,000,000	-	1,000,000	-
200-32	Electric Bus Funding for AVTA	1,900,000	-	1,900,000	-
200-33	Willowbrook and King Medical Shuttle: Purchase of Vehicles	510,000	479,842	30,158	-
200-34	El Sol Shuttle Service: Purchase 7 Buses	3,500,000	-	3,500,000	-
200-35	Florence-Firestone/Walnut Park Shuttle: Purchase 2 Buses	1,000,000	-	1,000,000	-
200-36	Avocado Heights/Bassett/West Valinda and East Valinda: Purchase 2 Buses	1,000,000	-	1,000,000	-
230-6	Park and Ride Lot Security	370,000	338,534	31,466	332,775
250-004	Bus Fare Media Purchase	60,000	3,742	56,258	6,769
250-067	Bus Pass Subsidy	1,500,000	693,264	806,736	911,578
270-007	Proposition A Project Planning	1,000,000	962,094	37,906	897,608
270-012	Los Angeles County Unincorporated Area Unmet Transit Needs Studies	1,500,000	1,198	1,498,802	-
280-009	Los Angeles County Transit Web Site	25,000	11,521	13,479	1,628
290-126	Park and Ride Lot Maintenance/Security	500,000	219,074	280,926	284,352
290-127	3rd Street & Laverne Avenue Park & Ride Lot	2,500,000	-	2,500,000	55,125
300-018	California State University Los Angeles Metrolink Operations	100,000	81,401	18,599	78,390
360-001	Metro Blue Line Liability Sharing	200,000	90,177	109,823	-
360-04	Metro Rail Promotion	25,000	-	25,000	-
360-11	Acton Metrolink Station Rural Lighting Ordinance	500,000	-	500,000	16,283
390-06	UPRR Security Fencing Project	2,875,000	-	2,875,000	-
390-07	UPRR Metro Blue Line Landscape Maintenance - Nadeau Street to 76th Street	35,000	-	35,000	-
480-004	Board of Supervisors Staff Support	1,000,000	638,537	361,463	487,878
480-05	Rail-Volution Conference	50,000	-	50,000	-
480-07	American Physical Therapy Association Conference	5,000	-	5,000	-
	<b>Total expenditures</b>	<b>\$ 51,209,000</b>	<b>\$ 19,487,552</b>	<b>\$ 31,721,448</b>	<b>\$ 20,080,785</b>

*See report of independent auditors.*

**County of Los Angeles  
Proposition A Local Return Fund  
Supplementary Information  
Schedule of Capital Assets  
Year ended June 30, 2016**

<b>Date Acquired</b>	<b>Description</b>	<b>Balance July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2016</b>
2002	Bus Shuttle El Dorado	\$ 285,969	\$ -	\$ -	285,969
2004	Bus El Dorado EZ Rider	1,863,379	-	-	1,863,379
2005	Van Chev 3400/05 with Lift 8 Pass	34,748	-	-	34,748
2006	60 Bus Pass El Dorado National	532,404	-	-	532,404
2007	Bus Chev/07 C5500/El Dorado Aero Elite L-310	105,350	-	-	105,350
2008	Bus Transit/08 Chev C5500 El Dorado L-311	129,982	-	-	129,982
2008	Bus Chev/08 C4500/ El Dorado L-312& 313	249,442	-	-	249,442
2008	Van Mini Braun/08 ADA Complaing (L194)	593,389	-	-	593,389
2010	10 Bus Transit 2010 GM/Glaval Titan	304,015	-	-	304,015
2011	10 Bus Transit 2010 GM - Handicapped	543,655	-	-	543,655
2011	8 Bus Shuttle 2004 Model EX Rider	584,431	-	-	584,431
2012	Shelter 2011/Parking Booth Company AS810 ISW	15,073	-	-	15,073
2012	Shelter 2011/Parking Booth Company AS810 ISW	15,073	-	-	15,073
2013	Bus Transit 2013 El Dorado Axess 35 CNG (L-315)	447,213	-	-	447,213
2013	Bus Transit 2013 El Dorado Axess 35 CNG (L-314)	447,213	-	-	447,213
2015	Bus 2015/El Dorado Axess 35 CNG Sunshine Shuttle (L-317)	474,193	-	-	474,193
2015	Bus 2015 El Dorado Axess 35 CNG Sunshine Shuttle (L-316)	474,193	-	-	474,193
2015	Bus 2015/Ford F550 El Dorado Aero Elite 290 CNG (L-211)	-	159,947	-	159,947
2015	Bus 2015/Ford F550 El Dorado Aero Elite 290 CNG (L-213)	-	159,947	-	159,947
2015	Bus 2015/Ford F550 El Dorado Aero Elite 290 CNG (L-212)	-	159,947	-	159,947
	<b>Total</b>	<b>\$ 7,099,722</b>	<b>\$ 479,841</b>	<b>\$ -</b>	<b>\$ 7,579,563</b>

*See report of independent auditors.*

County of Los Angeles  
Proposition C Local Return Fund  
Balance Sheets

		June 30	
		2016	2015
<b>ASSETS</b>			
Cash and investments	\$	50,700,866	\$ 56,080,619
Accounts receivable		10,457,016	9,087,514
Interest receivable		116,742	107,284
Other receivable		108,863	108,863
Due from other funds		375,121	696,774
Advances to Internal Service Fund		615,200	684,500
<b>Total assets</b>	<b>\$</b>	<b>62,373,808</b>	<b>\$ 66,765,554</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	225,914	\$ 577,342
Due to other funds		1,615,513	1,974,975
Other payables		976	9,280
<b>Total liabilities</b>		<b>1,842,403</b>	<b>2,561,597</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue		3,939,855	4,312,243
<b>Fund balance</b>			
Restricted - Capital Reserve		-	8,737,654
Restricted - Others		56,591,550	51,154,060
<b>Total fund balance</b>		<b>56,591,550</b>	<b>59,891,714</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$</b>	<b>62,373,808</b>	<b>\$ 66,765,554</b>

See notes to Funds financial statements.

**County of Los Angeles**  
**Proposition C Local Return Fund**  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2016	2015
<b>Revenues</b>		
Proposition C	\$ 15,672,951	\$ 15,272,743
Proposition C Discretionary Grants	9,388,817	7,254,172
Federal reimbursements	1,750,038	1,341,898
Service reimbursements	624,141	489,196
Interest income	384,934	374,273
Miscellaneous revenues	-	7,754
<b>Total revenues</b>	<b>27,820,881</b>	24,740,036
 <b>Expenditures</b>		
Various projects	31,121,045	21,464,868
<b>Total expenditures</b>	<b>31,121,045</b>	21,464,868
 Excess (deficiency) of revenues over expenditures	<b>(3,300,164)</b>	3,275,168
 Fund balance at beginning of year	<b>59,891,714</b>	56,616,546
 Fund balance at end of year	<b>\$ 56,591,550</b>	\$ 59,891,714

*See notes to Funds financial statements.*

**County of Los Angeles  
Supplementary Information**

**Schedule of Expenditures – Actual and LACMTA Approved Project Budget (Continued)**  
**Year ended June 30, 2016**  
**(With Comparative Actuals for 2015)**

Project Code	Project Name	2016			2015 Actual
		LACMTA Budget	Actual	Variance Positive (Negative)	
270-13	County Contribution to Gateway Cities Council of Governments I-710 Major Corridor Study	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -
360-12	Metro Green Line Vermont Station Wayfinding Signage	495,000	-	495,000	-
360-13	Hollywood/Highland Red Line Station Wayfinding Signage	10,000	-	10,000	-
380-001	Street Improvement Projects	24,639,000	8,784,396	15,854,604	2,191,669
400-002	Santa Clarita Intelligent Transportation Systems (ITS)	591,000	13,066	577,934	7,085
400-008	Gateway Cities Forum	4,738,000	3,434,887	1,303,113	3,458,899
400-010	Los Angeles County Traffic Management Center	250,000	5,964	244,036	8,550
400-018	East San Gabriel Valley Traffic Signal Forum	10,000	-	10,000	8,900
400-021	South Bay Traffic Signal Forum	3,400,000	1,746,558	1,653,442	2,174,115
400-030	Traffic Management Center Operations	985,000	594,129	390,871	466,060
400-05	Information Exchange Network	1,750,000	217,747	1,532,253	126,565
400-27	San Gabriel Valley Regional Traffic Signal Forum	3,000,000	438	2,999,562	912,842
400-31	Countywide Vehicle Detection Loop Replacement Program	-	-	-	(148)
400-32	Slauson Ave Corridor Improvements - Signals Project	720,000	211,726	508,274	373,511
400-33	South Bay Forum Traffic Signal Corridors Project - 2007 Call (F1311)	1,792,000	456,448	1,335,552	444,733
400-34	Gateway Cities Forum Traffic Signal Corridors Project - 2007 Call (F1312)	3,291,000	689,711	2,601,289	509,024
400-35	San Gabriel Valley Forum Traffic Signal Corridors Project - 2007 Call (F1321)	3,857,000	4,397,984	(540,984)	934,604
400-36	I-5 Corridor ITS Improvements	1,700,000	31,315	1,668,685	201,767
400-37	Information Exchange Network XML Command Data Interface	350,000	301,308	48,692	235,736
400-38	Countywide Signal Priority, Phase II	696,300	115,974	580,326	205,747
400-39	El Segundo Area Intelligent Transportation Systems (Operation and Maintenance)	620,000	394,944	225,056	222,848
400-40	San Gabriel Valley Forum Traffic Signal Corridors Project - 2009 CFP	13,650,700	109,497	13,541,203	247,726
400-41	Gateway Cities Forum Traffic Signal Corridors Project, Phase VI - 2009 Call (F3309)	3,625,000	314,640	3,310,360	36,566
400-42	South Bay Forum Traffic Signal Corridors Project - 2009 Call (F3310)	2,625,000	285,468	2,339,532	47,715
400-43	Information Exchange Network (EIN) Phase III - 2009 Call (F3311)	3,487,000	-	3,487,000	-
400-44	Ramona Blvd/Badillo St/Covina Blvd TSSP/BSP - 2011 Call (F5310)	317,200	-	317,200	36,902
400-45	South Bay Arterial Performance Measurement Project - Metro Express Lanes	504,000	14,913	489,087	-
430-016	North County Bikeways	1,830,000	14,213	1,815,787	334,709
430-19	Eastside Light Rail/Bike Interface	1,470,000	529,700	940,300	169,262
430-20	Emerald Necklace Bike Trail	1,800,000	540,334	1,259,666	47,271
430-201	170th Street East Bike Lane	200,000	4,536	195,464	131,754
430-24	El Pueblo Transit Hub Safety Improvements	3,847,000	-	3,847,000	-
430-25	Willowbrook Bikeway improvement (RDC0015556)	1,750,000	44,098	1,705,902	66,877
430-28	East Avenue O Bike Lane	200,000	39,742	160,258	144,293
430-30	90th Street East/87th Street East Bike Lane	250,000	4,531	245,469	114,473
430-31	Quarry Clasp/Peck Park Biker Trail	2,600,000	181,768	2,418,232	141,162
430-34	Los Angeles River Regional Bike Path	13,500,000	562,279	12,937,721	401,331
430-35	Altadena Dr and Washington Blvd Bikeway Improvements	1,960,000	476,845	1,483,155	376,374
430-36	South San Gabriel Bikeway Access Improvements	900,000	161,722	738,278	270,662
430-37	Florence-Firestone Bikeway Access Improvements	1,310,000	110,577	1,199,423	71,881
430-38	West Rancho Dominguez Bikeway Access Improvements	1,640,000	141,415	1,498,585	37,954
430-39	Charter Oak Bikeway Access Improvements	1,130,000	231,849	898,151	158,981

*See report of independent auditors.*

**County of Los Angeles  
Supplementary Information**

**Schedule of Expenditures – Actual and LACMTA Approved Project Budget (Continued)**  
**Year ended June 30, 2016**  
**(With Comparative Actuals for 2015)**

Project Code	Project Name	2016		Variance Positive (Negative)	2015 Actual
		LACMTA Budget	Actual		
430-40	Bike Path Pavement Rehabilitation - Admiralty Way	\$ 750,000	\$ 60,820	\$ 689,180	\$ 18,841
430-42	Florence Metro Blue Line Station Bikeway Access Improvements	1,625,000	429,204	1,195,796	88,552
430-43	Vermont Avenue - Manchester Ave/ El Segundo Blvd (Bike Lane)	1,100,000	305,626	794,374	17,047
430-44	Susana Rd, et al	4,600,000	108,135	4,491,865	-
430-45	Marvin Braude Bike Trail Repair	300,000	56,744	243,256	-
440-011	California Boulevard et al	-	-	-	1,127,314
440-017	Valley Blvd - San Gabriel River Fwy/Temple Ave	10,000	(199,989)	209,989	119,996
440-059	Centinela Ave, et al	20,000	-	20,000	8,707
440-085	Wilmington Ave. - 126th St/ El Segundo Blvd	50,000	-	50,000	-
440-112	Imperial Hwy - Carmenita Rd/Valley View Ave	50,000	-	50,000	-
440-115	Mona Blvd - 124th St/243' s/o 120th St	-	-	-	(197,302)
440-122	Workman Mill Rd - Oakman Dr/Don Julian Rd	100,000	-	100,000	-
440-123	166th St - 160' w/o Eric Ave/Gridley Rd	50,000	-	50,000	-
440-134	El Segundo Blvd, et al	3,300,000	137,439	3,162,561	7,828
440-135	Foothill Blvd - Rosemead Blvd/Michillinda Ave	1,500,000	96,691	1,403,309	95,515
440-139	La Brea Ave - 300' s/o 62nd St/Slauson Ave	2,000,000	-	2,000,000	489
440-143	Norwalk Blvd, et al	3,335,000	173,440	3,161,560	302,963
440-147	Del Amo Blvd - 1, 140' E/o Alameda St East/ Long Beach Fwy (split from 124-440)	50,000	(60,418)	110,418	-
440-151	108th St - Denker Ave/Normandie Ave, et al	3,700,000	(70,312)	3,770,312	70,451
440-163	Firestone Blvd - Central Ave/Graham Ave, et al	3,500,000	3,318	3,496,682	-
440-164	Slauson Ave - San Gabriel River/Pioneer Blvd	-	-	-	22,888
440-167	Colima Rd - Azusa Ave/Nogales St	-	-	-	(1,176)
440-180	Admiralty Way Settlement Repair Project	-	-	-	(142)
440-184	50th Street W - Avenue K/Avenue N	10,000	(6,660)	16,660	608,912
440-188	Heller Circle - Whites Cyn Rd/Plum Cyn Rd (North)	600,000	515,751	84,249	171,586
440-190	Gale Ave - Hacienda Blvd/Stimson Ave	10,000	-	10,000	-
440-191	Wilshire Blvd, et al (RDC0015533)	3,800,000	393,514	3,406,486	553,283
440-192	Washington Blvd, et al (formerly Valley View Ave, et al)	5,500,000	91,979	5,408,021	192,422
440-193	Hacienda Blvd at Gale Ave	4,000,000	384,369	3,615,631	233,252
440-195	Marina Del Rey Street Improvements - Marina Del Ray (RDC0015781)	1,500,000	3,868	1,496,132	139,707
440-196	Via Marina St - Panay Way to 1727' S/O Bora Bora Way	500,000	81,424	418,576	142,995
440-197	Huntington Dr - San Gabriel Blvd/Michilinda Ave	3,000,000	171,615	2,828,385	77,237
440-199	New York Dr - Lake Ave to 120 ft W/O Altadena Dr	100,000	-	100,000	35,345
440-200	Fiji Way Roadway Improvements (RDC0015796)	100,000	-	100,000	134,239
440-201	East Los Angeles Community Roadway Improvement	1,000,000	88,599	911,401	287,284
440-205	Pennsylvania Ave - Markridge Rd/Montrose Ave	700,000	1,634	698,366	58,721
440-206	Leffingwell Rd - Telegraph Rd/La Mirada Blvd	1,165,000	107,080	1,057,920	521
440-207	Imperial Hwy and Telegraph Rd Roadway Improvements - La Mirada	450,000	450,000	-	-
440-208	Colima Road - City of Whittier Boundary to Fullerton Road	13,000,000	110,649	12,889,351	-
460-148	North County/Antelope Valley Traffic Forum Improvement Project	2,000,000	396,470	1,603,530	64,224
470-002	Countywide Pavement Management System Program	1,000,000	1,201,957	(201,957)	911,858
470-01	Pavement Management Field Evaluation Equipment	100,000	-	100,000	-
480-001	Traffic Signal Synchronization Program Training	150,000	1,894	148,106	2,620
480-014	Proposition C Project Planning and Coordination	1,480,000	921,482	558,518	850,291
<b>Total expenditures \$</b>		<b>178,945,200</b>	<b>\$ 31,121,045</b>	<b>\$ 147,824,155</b>	<b>\$ 21,464,868</b>

*See report of independent auditors.*



**County of Los Angeles**  
**Proposition C Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2016**

<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
2004	Video Wall Screen	\$ 469,773	\$ -	-	\$ 469,773
2005	Plotter HP Design Jet 815	19,070	-	-	19,070
2005	Dell PowerEdge Server 1850	27,161	-	6,365	20,796
2007	Dell PowerEdge Server 1950	5,242	-	5,242	-
2009	Server Dell PowerEdge 2950	5,573	-	5,573	-
2009	Cisco 3845 Router	18,647	-	-	18,647
2009	Network Firewall Cisco ASA 5520	7,709	-	-	7,709
2009	Video Wall Screen for Traffic Mgmt. Ctr.	15,112	-	-	15,112
2010	Cisco Catalyst 4948-10GE	13,778	-	-	13,778
2010	Cisco Catalyst 4948-10GE	13,778	-	-	13,778
2012	Plotter HP Design Jet T1200 HD MFP	16,596	-	-	16,596
2012	Server HP BLC7000 CT03	7,768	-	-	7,768
2014	Server HP BLC7000 CT03	14,828	-	-	14,828
2014	Firewall Palo Alto Networks PA-500	16,525	-	-	16,525
2015	Server HP BLC7000 CT03	3,222	-	-	3,222
<b>Total</b>		<b>\$ 654,782</b>	<b>\$ -</b>	<b>\$ 17,180</b>	<b>\$ 637,602</b>

*See report of independent auditors.*

County of Los Angeles  
Measure R Local Return Fund  
Balance Sheets

		June 30	
		2016	2015
<b>ASSETS</b>			
Cash and investments	\$	30,685,999	\$ 22,862,665
Accounts receivable		8,924	82,944
Interest receivable		61,390	42,637
Due from other funds		6,630	173,357
Advances to other funds		168,000	254,300
<b>Total assets</b>	<b>\$</b>	<b>30,930,943</b>	<b>\$ 23,415,903</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	326,529	\$ 61,883
Due to other funds		259,084	419,922
<b>Total liabilities</b>		<b>585,613</b>	<b>481,805</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue		924	924
<b>Fund balance</b>			
Restricted		30,344,406	22,933,174
<b>Total fund balance</b>		<b>30,344,406</b>	<b>22,933,174</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$</b>	<b>30,930,943</b>	<b>\$ 23,415,903</b>

See notes to Funds financial statements.

County of Los Angeles  
Measure R Local Return Fund

**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2016	2015
<b>Revenues</b>		
Measure R	\$ 11,759,058	\$ 11,449,082
Interest income	209,043	140,882
Other revenues	76,919	239,098
<b>Total revenues</b>	<b>12,045,020</b>	11,829,062
 <b>Expenditures</b>		
Various projects	4,633,788	9,278,147
<b>Total expenditures</b>	<b>4,633,788</b>	9,278,147
 Excess of revenues over expenditures	7,411,232	2,550,915
 Fund balance at beginning of year	22,933,174	20,382,259
 Fund balance at end of year	<b>\$ 30,344,406</b>	\$ 22,933,174

*See notes to Funds financial statements.*

**County of Los Angeles**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Expenditures – Actual and LACMTA Approved Project Budget**  
**Year ended June 30, 2016**  
**(With Comparative Actuals for 2015)**

Project Code	Project Name	2016		Variance Positive (Negative)	2015 Actual
		LACMTA Budget	Actual		
1.05	Central Avenue Median Landscaping Improvements \$	- \$	- \$	- \$	439
1.05	Valley Boulevard - San Gabriel River to East of Turnbull Canyon R	200,000	-	200,000	-
1.05	Walnut Grove Ave, Et Al.	100,000	-	100,000	-
1.05	7th Avenue from Gale Avenue to Palm Avenue	500,000	282,310	217,690	-
1.05	Del Amo Blvd - Normandie Av/Vermont Av	1,000,000	-	1,000,000	-
1.05	Firestone Blvd - Central Ave to Graham, Et Al.	1,000,000	69,302	930,698	(88,719)
1.05	Angeles Forest Hwy Et al, Phase 2	300,000	179,235	120,765	61,386
1.05	Roadway Improvement in North County Area	650,000	-	650,000	-
1.05	Roadway Improvement in South County Area	650,000	-	650,000	-
1.05	Roadway Improvement in East County Area	650,000	-	650,000	-
1.05	Ballentine Place, Et Al.	100,000	(3,913)	103,913	163,413
1.05	Olympiad Dr, Et Al	200,000	3,947	196,053	318,368
1.05	Tranbarger St, Et Al.	1,000,000	338,921	661,079	2,992,278
1.05	Mureau Road, Et Al. (formerly known as Marks Road, Et Al.)	100,000	-	100,000	-
1.05	Garo St, Et Al (formerly Santa Bianca Rd, Et Al.)	200,000	1,019	198,981	352,146
1.05	Lennox Community Project, 105th St, Et Al.	500,000	-	500,000	34,151
1.05	Lennox Community Improvements, Phase 2 (formerly West 104th)	200,000	-	200,000	32,323
1.05	Southridge Avenue, Et Al.	200,000	-	200,000	-
1.05	Overhill Drive - Stocker Street to Slauson Avenue	300,000	-	300,000	-
1.05	Mc Donnell Ave, Et Al.	1,500,000	120,535	1,379,465	259,416
1.05	Templin Hwy at MM 0.30	600,000	-	600,000	25,530
1.05	Pathfinder Rd - Fullerton Rd/1,300' E/o Fullerton Rd	750,000	517,579	232,421	-
1.05	Whiteside St, Et Al.	1,200,000	-	1,200,000	-
1.05	Avenue G over SR 14 Fwy	30,000	3,599	26,401	159
1.05	Columbia Way/Avenue M-60th St W/SR14 Fwy	750,000	641,417	108,583	-
1.05	40th St East-200' N/o Barrel Springs Rd/MM 19.85	300,000	188,171	111,829	-
1.20	Cesar E Chavez/Lorena/Indiana - Intersection Improvements	1,000,000	8,453	991,547	-
1.25	Lark Ellen Ave - Arrow Hwy to S/o Cypress St	120,000	-	120,000	-
1.25	San Bernardino Rd - Nora Ave/Yaleton Ave (Sidewalk) (formerly San	500,000	46,802	453,198	-
1.25	75th St East, Et Al., Ph 1 (Pavement Preserve) (formerly 75th St Ea	300,000	33,999	266,001	1,980,073
1.25	75th St East, Et Al., Ph 2 (Concrete Work)	200,000	-	200,000	201,094

*See report of independent auditors.*

**County of Los Angeles**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Expenditures – Actual and LACMTA Approved Project Budget (Continued)**  
**Year ended June 30, 2016**  
**(With Comparative Actuals for 2015)**

Project Code	Project Name	2016		Variance Positive (Negative)	2015 Actual
		LACMTA Budget	Actual		
1.30	Workman Mill Road from Oakman Drive to Valley Boulevard	\$ 100,000	\$ -	\$ 100,000	\$ -
1.30	Avocado Heights Multiuse Trail	500,000	201,464	298,536	235,962
1.30	Willowbrook Streetscape Improvement Project	2,000,000	728,609	1,271,391	602,777
1.30	Slauson Ave Revitalization (formerly Slauson Avenue from La Brea)	1,500,000	311,103	1,188,897	375,167
1.30	Mayflower Avenue South of Lynd Avenue	300,000	154,823	145,177	162,395
1.30	Parklets East Los Angeles	150,000	4,920	145,080	36,167
1.30	Parklets East Los Angeles (General Liability Insurance)	50,000	31,270	18,730	-
1.30	City Terrace Greening Project	300,000	13,075	286,925	527,829
1.30	Main St, Avalon Blvd, and Rosecrans Ave Landscape Improvements	1,500,000	307,586	1,192,414	326,898
1.30	Hawthorne Blvd and Atlantic Avenue Street Improvements	-	-	-	40,379
1.30	Willowbrook Green Alley Project	300,000	265,483	34,517	108,647
1.90	Other Street Improvements Including ADA Throughout the County (Antelope Valley)	2,000,000	-	2,000,000	-
1.90	Other Street Improvements Including ADA Throughout the County (LA Basin)	2,000,000	(36,784)	2,036,784	-
2.01	Traffic Signal Upgrades at Various Locations (Antelope Valley)	1,500,000	-	1,500,000	-
2.01	30th St at Rancho Vista Blvd (Avenue P)	100,000	-	100,000	-
2.01	Traffic Signal Upgrades at Various Locations (LA Basin)	1,500,000	-	1,500,000	-
2.03	Traffic Signal and Traffic Calming Devices	100,000	-	100,000	-
3.05	Woodbury Road - Windsor Ave/Santa Anita Ave	-	-	-	247,826
3.05	San Jose Creek Bike Trail, Phase 2a	500,000	-	500,000	-
3.05	Calvary Cemetery Pedestrian Path	200,000	111,116	88,884	79,450
3.05	Atwater Landing Project	250,000	-	250,000	-
3.20	103rd Street Improvement (Watts Streetscape Enhancements)	500,000	-	500,000	338
4.05	Expansion of Service in North County	50,000	-	50,000	-
4.05	SD5 - North County Connector (AV to Santa Clarita Valley)	-	-	-	14,627
6.20	Experience LA 3.0 Mobility in the Cloud	-	-	-	94,752
6.40	Open Streets Event - Long Beach	100,000	78,000	22,000	-
7.10	Arrow Highway Corridor Study	100,000	-	100,000	-
7.20	Regional Highway Project Development (High Desert Corridor)	250,000	-	250,000	-
7.90	Congestion Mitigation Fee Study in North County	500,000	-	500,000	-
8.10	Project Administration	200,000	31,747	168,253	92,876
<b>Total expenditures</b>		<b>\$ 31,650,000</b>	<b>\$ 4,633,788</b>	<b>\$ 27,016,212</b>	<b>\$ 9,278,147</b>

*See report of independent auditors.*

**County of Los Angeles**  
**Measure R Local Return Fund**  
**Supplementary Information**  
**Schedule of Capital Assets**  
**Year ended June 30, 2016**

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<u>Date Acquired</u>	<u>Description</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
None		\$ -	\$ -	\$ -	\$ -
	<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See report of independent auditors.*

County of Los Angeles  
Transportation Development Act Article 3 Fund  
Pursuant to Public Utilities Code Section 99234  
Balance Sheets

		June 30	
		2016	2015
<b>ASSETS</b>			
Cash and investments	\$	45,911	\$ 484,329
Accounts receivable		267,369	6,000
Due from other funds		5,637	8,861
Interest receivable		766	1,574
<b>Total assets</b>	<b>\$</b>	<b>319,683</b>	<b>\$ 500,764</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$	361	\$ 19,823
Due to other funds		95,965	211,887
<b>Total liabilities</b>		<b>96,326</b>	<b>231,710</b>
<b>Fund balance</b>			
Restricted		223,357	269,054
<b>Total fund balance</b>		<b>223,357</b>	<b>269,054</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>319,683</b>	<b>\$ 500,764</b>

*See notes to Funds financial statements.*

County of Los Angeles  
 Transportation Development Act Article 3 Fund  
 Pursuant to Public Utilities Code Section 99234  
**Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2016	2015
<b>Revenues</b>		
Intergovernmental Allocations:		
Article 3	\$ 2,257,000	\$ 1,900,000
Interest income	3,602	5,365
Other revenues	42,603	18,141
<b>Total revenues</b>	<b>2,303,205</b>	<b>1,923,506</b>
<b>Expenditures</b>		
Construction/Maintenance	2,348,902	1,719,307
<b>Total expenditures</b>	<b>2,348,902</b>	<b>1,719,307</b>
Excess (deficiency) of revenues over expenditures	(45,697)	204,199
Fund balance at beginning of year	269,054	64,855
Fund balance at end of year	\$ 223,357	\$ 269,054

*See notes to Funds financial statements.*



**County of Los Angeles**  
**Transportation Development Act Article 3 Fund**  
**Pursuant to Public Utilities Code Section 99234**  
**Supplementary Information**  
**Schedule of Transportation Development Act Allocation for Specific Projects**  
**Year ended June 30, 2016**

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
<b>Local Allocations:</b>					
High Priority Bikeways Consultant Study	2016	\$ 132,000	\$ 76,098	\$ 55,902	Ongoing
Bikeway Project Development - 1st District	2016	95,000	68,196	26,804	Ongoing
Bikeway Project Development - 2nd District	2016	95,000	79,678	15,322	Ongoing
Bikeway Project Development - 3rd District	2016	95,000	37,392	57,608	Ongoing
Bikeway Project Development - 4th District	2016	95,000	44,870	50,130	Ongoing
Bikeway Project Development - 5th District	2016	95,000	50,946	44,054	Ongoing
Bicycle Master Update and EIR	2016	135,000	5,167	129,833	Ongoing
Bikeway Project Administration Overhead	2016	31,000	29,795	1,205	Ongoing
Repair and Renovation of Bike Paths	2016	6,300	-	6,300	Ongoing
Operations and Maintenance of Bike Paths (Sweeping)	2016	525,000	653,245	(128,245)	Ongoing
Operations and Maintenance of Bike Paths (Signs)	2016	13,000	7,024	5,976	Ongoing
Operations and Maintenance of Bike Paths (Striping)	2016	80,000	146,600	(66,600)	Ongoing
Program Management and Coordination	2016	592,700	599,776	(7,076)	Ongoing
Bike Path Repairs	2016	66,000	255,764	(189,764)	Ongoing
Bike Paths Rehabilitation	2016	81,000	294,351	(213,351)	Ongoing
Graffiti Abatement	2016	1,000	-	1,000	Ongoing
<b>Totals</b>		<u>\$ 2,138,000</u>	<u>\$ 2,348,902</u>	<u>(210,902)</u>	
Interest income and other revenues				46,205	
Revenue accrual				257,000	
Less: Current year allocation in excess of current year drawdown				(138,000)	
Fund balance at beginning of year				<u>269,054</u>	
Fund balance at end of year				<u>\$ 223,357</u>	

*See report of independent auditors.*

**County of Los Angeles**  
**Transportation Development Act Article 8 Fund**  
**Pursuant to Public Utilities Code Section 99400 (a)**  
**Balance Sheets**

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		June 30	
		2016	2015
<b>ASSETS</b>			
Interest receivable	\$	-	\$ 2,913
<b>Total assets</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,913</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Fund balance</b>			
Restricted		-	2,913
<b>Total fund balance</b>		<b>-</b>	<b>2,913</b>
<b>Total liabilities and fund balance</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,913</b>

*See notes to Funds financial statements.*

**County of Los Angeles  
 Transportation Development Act Article 8 Fund  
 Pursuant to Public Utilities Code Section 99400 (a)  
 Statements of Revenues, Expenditures and Changes in Fund Balance**

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	Years ended June 30	
	2016	2015
<b>Revenues</b>		
Intergovernmental Allocations:		
Article 8	\$ 4,117,340	\$ 4,263,930
Interest income	4,689	2,913
<b>Total revenues</b>	<b>4,122,029</b>	<b>4,266,843</b>
 <b>Expenditures</b>		
Various projects	4,124,942	4,263,930
<b>Total expenditures</b>	<b>4,124,942</b>	<b>4,263,930</b>
 Excess (deficiency) of revenues over expenditures	(2,913)	2,913
 Fund balance at beginning of year	2,913	-
 Fund balance at end of year	\$ -	\$ 2,913

*See notes to Funds financial statements.*

**County of Los Angeles  
Transportation Development Act Article 8 Fund  
Pursuant to Public Utilities Code Section 99400 (a)  
Supplementary Information  
Schedule of Transportation Development Act Allocation for Specific Projects  
Year ended June 30, 2016**

Project Description	Program Year	Totals to Date		Unexpended Allocations	Project Status
		Allocations	Expenditures		
<b>Local Allocations:</b>					
Bouquet Cyn Rd - MM11.50/MM15.89 (Creek Flow Restoration)	2016	\$ 150,000	\$ 236,381	\$ (86,381)	Ongoing
Elizabeth Lake Rd - 2,453 W/Munz Ranch Rd/2,095 E/Bouquet Cyn	2016	200,000	147,708	52,292	Ongoing
50th St West at Avenue M-2-Install Traffic Signal	2016	141,000	113,351	27,649	Ongoing
Avenue L at 42nd St W-Install Traffic Signal	2016	85,000	49,075	35,925	Ongoing
Lancaster Fall Pavement Maintenance Program	2016	267,000	7,408	259,592	Ongoing
30th St W - Ave A/Ave D, et al.	2016	120,000	341,414	(221,414)	Ongoing
Hasley Hills North Phase	2016	200,000	-	200,000	Ongoing
Pico Canyon Rd at The Old Road - Traffic Signal Upgrade	2016	105,000	6,528	98,472	Ongoing
Sierra Hwy at Education Hwy - Install Traffic Signal	2016	25,000	140,609	(115,609)	Ongoing
Angeles Forest Highway Road Rehabilitation Project Local Match	2016	2,000,000	1,518,701	481,299	Ongoing
Road Maintenance Activities	2016	824,340	1,563,767	(739,427)	Ongoing
<b>Totals</b>		<b>\$ 4,117,340</b>	<b>\$ 4,124,942</b>	<b>(7,602)</b>	
Interest income				4,689	
Fund balance at beginning of year				2,913	
Fund balance at end of year				\$ -	

*See report of independent auditors.*

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The operations of the Proposition A Local Return Fund (PALRF), Proposition C Local Return Fund (PCLRF), Measure R Local Return Fund (MRLRF), Transportation Development Act Article 3 Fund (TDAA3F) and Transportation Development Act Article 8 Fund (TDAA8F) (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 a county-wide ½ cent 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 County's share of the Transportation Development Act Article 3 allocations which are legally restricted for specific purposes.

TDAA8F is pooled with other County monies in the Special Revenue Fund. The Special Revenue Fund accounts for the County's share of the Transportation Development Act Article 8 allocations, which are legally restricted for specific purposes.

**Basis of Accounting and Measurement Focus**

The PALRF, PCLRF, MRLRF, TDAA3F and TDAA8F are reported as Special Revenue Funds of the County 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 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*, which became effective for the fiscal year ended June 30, 2016, the County 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 County reports its investments at fair value and recognizes unrealized gain (loss) on investments.

Refer to the County's 2016 Comprehensive Annual Financial Report for detailed disclosures regarding the County's investments policy and fair value measurements.

**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, TDAA3F and TDAA8F report the following fund balance classification as of June 30, 2016:

- 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 are restricted for projects approved by LACMTA.

Information regarding the fund balance reporting policy adopted by the County is described in Note 1 to the County's Comprehensive Annual Financial Report.

**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 County 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 County represent unavailable resources that are not available for spending as of June 30, 2016 and 2015.

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Revenues**

The PCLRF, MRLRF, and TDAA3F other revenues represent work performed on various transit-related projects for other cities or agencies. The County recognizes revenues based on the contractual or Joint Powers Authorities (JPA) agreement, which outlines monies, to be received at various completions stages of the projects.

**Reimbursements**

The PALRF reimbursements represent monies received from other cities, agencies or private parties for expenditures incurred in the previous years on joint transit-related projects. For the years ended June 30, 2016 and June 30, 2015 the County received \$639,461 and \$680,671, respectively, and are reported under PALRF service reimbursement revenues.

**Rents and concessions**

The County occasionally rents out its parking facilities and vehicles used for PALRF transit-related projects to private parties or filmmakers. For the years ended June 30, 2016 and June 30, 2015, the County collected \$672 and \$652, respectively.

**Reclassification**

In order to facilitate comparison of financial information, certain amounts reported in the prior year have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the previously reported changes in fund balances.

**NOTE 2      ANNUAL FINANCIAL STATEMENTS**

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, TDAA3F, and TDAA8F, and do not purport to, and do not present fairly the County's financial position as of June 30, 2016 and 2015, and the changes in its financial position for the year 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.

**NOTE 3      PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS (CONTINUED)**

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.

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      TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS**

In accordance with *Public Utilities Code Section 99234 and 99400(a)*, funds received pursuant to this Code's section may only be used for activities relating to pedestrians and bicycle facilities, transit and paratransit program to fulfill unmet transit needs in areas outside the service area of LACMTA operations. See accompanying Compliance Matrix.

**NOTE 6      CASH AND INVESTMENTS**

The PALRF, PCLRF, MRLRF, TDAA3F, and TDAA8F cash balances were pooled with various other County 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 County's Comprehensive Annual Financial Report (CAFR) for a full description of risks relating to cash and investments.



**NOTE 7      ACCOUNTS RECEIVABLE**

The PALRF, PCLRF, MRLRF and TDAA3F accounts receivable balances represent monies to be paid to the County as of June 30 for work performed on various transit-related projects from other cities and agencies based on contractual or Joint Powers Authorities (JPA) agreements. The County receives monies at various stages of completion. The balances as of June 30 consist of the following:

<u>City / Agency</u>	<u>2016</u>	<u>2015</u>
<b><u>PALRF</u></b>		
Department of Transportation	\$ 1,589,936	\$ 483,600
LACMTA	136,150	775,645
City of La Canada Flintridge	-	8,982
	<u>\$ 1,726,086</u>	<u>\$ 1,268,227</u>
<b><u>PCLRF</u></b>		
LACMTA	\$ 5,463,347	\$ 8,174,953
Department of Transportation	4,993,669	912,561
	<u>\$ 10,457,016</u>	<u>\$ 9,087,514</u>
<b><u>MRLRF</u></b>		
Department of Transportation	\$ 8,000	\$ 82,020
LACMTA	924	924
	<u>\$ 8,924</u>	<u>\$ 82,944</u>
<b><u>TDAA3F</u></b>		
City of Lynwood	\$ 10,031	\$ -
LACMTA	257,338	-
Department of Transportation	-	6,000
	<u>\$ 267,369</u>	<u>\$ 6,000</u>

**NOTE 8      DUE FROM OTHER FUNDS / DUE TO OTHER FUNDS**

The County freezes its cash account during the closing process. Accordingly, all cash receipts and disbursements occurring subsequent to June 30th but before the fiscal year's closing on August 15th are temporarily recorded in these clearing accounts, which are reversed in the subsequent period.

The due from balances as of June 30, 2016 comprised of the following amounts:

**PALRF**

Internal Service Fund	\$	81,308
General Fund		137,693
		219,001
	\$	219,001

**PCLRF**

Public Works - Road Fund	\$	60,418
Internal Service Fund		314,703
		375,121
	\$	375,121

**MRLRF**

Internal Service Fund	\$	6,630
		6,630
	\$	6,630

**TDAA3F**

Internal Service Fund	\$	5,637
		5,637
	\$	5,637

The due to balances as of June 30, 2016 comprised of the following amounts:

**PALRF**

Internal Service Fund	\$	310,737
General Fund		239,491
Float Fund		121,806
		672,034
	\$	672,034

**PCLRF**

Internal Service Fund	\$	1,211,794
Road Fund		21,661
Public Works - Flood Fund		362,641
General Fund		19,417
		1,615,513
	\$	1,615,513

**NOTE 8            DUE FROM OTHER FUNDS / DUE TO OTHER FUNDS (CONTINUED)**

<u><b>MRLRF</b></u>		2016
Internal Service Fund	\$	221,320
Public Works - Flood Fund		31,746
General Fund		6,018
	\$	259,084
<u><b>TDAA3F</b></u>		
Internal Service Fund	\$	66,170
Public Works - Flood Fund		29,795
	\$	95,965

**NOTE 9            ADVANCES TO INTERNAL SERVICE FUND**

The County utilizes an internal service fund to pay for all payroll, equipment and material usage between departments. In order to maintain operating cash for the Internal Service Fund, all County funds allocate based on its funds size a pro-rata portion of its cash and advance it to Internal Service Fund. The PALRF, PCLRF and MRLRF amounts are primarily used to cover the cost of payroll usage from other departments and are evaluated every two years.

As of June 30, 2016 and 2015, PALRF, PCLRF and MRLRF's advances to Internal Fund were as follows:

	2016		2015
PALRF	\$ 191,900	\$	193,700
PCLRF	615,200		684,500
MRLRF	168,000		254,300

**NOTE 10          PROPOSITION A DISCRETIONARY INCENTIVE GRANTS AND PROPOSITION C DISCRETIONARY GRANTS**

The Proposition A Discretionary Incentive Grants represent additional funds received from LACMTA to provide the Sub-Regional Paratransit projects and for participating Voluntary National Transit Database (NTD) data reporting programs. The Proposition A Discretionary Incentive Grant was recorded under PALRF, and for the years ended June 30, 2016 and 2015 were comprised of:

	2016		2015
Hollywood Bowl Park and Ride			
Regional Transit Project	\$ 1,057,000	\$	1,057,000
Voluntary NTD Reporting Program	336,794		319,518
Subregional Paratransit	253,035		220,077
	\$ 1,646,829	\$	1,596,595

**NOTE 10      PROPOSITION A DISCRETIONARY INCENTIVE GRANTS AND PROPOSITION C DISCRETIONARY GRANTS (CONTINUED)**

The Proposition C Discretionary Grants represent funds received from LACMTA towards grants servicing various multi-year traffic projects in Los Angeles County. The Proposition C Discretionary Grants was recorded under PALRF, and amounted to \$9,388,817 and \$7,254,172 for the years ended June 30, 2016 and 2015, respectively.

**NOTE 11      OTHER GOVERNMENT GRANTS – PALRF**

Other government grants under PALRF represent grant funds received from other governmental agencies towards Proposition A projects, and for the years ended June 30, 2016 and 2015 were comprised of:

		<b>2016</b>		2015
Antelope Valley Transit Authority Grant	\$	<b>317,868</b>	\$	383,600
Transit Planning Grant		<b>69,304</b>		72,000
Section 5311 Rural Area Grant		<b>13,212</b>		28,000
Mobile Source Air Pollution Reduction Review Committee (MSRC) Grant		-		50,000
	<b>\$</b>	<b>400,384</b>	<b>\$</b>	533,600

**NOTE 12      SALE OF CAPITAL ASSETS – PALRF**

During the year ended June 30, 2015 the County disposed of surplus transit vehicles and received \$50,208 in proceeds. The proceeds were recorded as revenue under PALRF. There were no disposals of capital assets during the year ended June 30, 2016.

**NOTE 13      CAPITAL RESERVE ACCOUNT – PCLRF**

On July 23, 2011, LACMTA and the County entered into an agreement to establish a capital reserve account (Account) for the El Pueblo Transit Hub Safety Project and several major street improvement projects in the initial amount of \$24,639,000. The funding of the Account will continue through Proposition C allocations at the discretion of the County until June 30, 2016. If the project is not completed by June 30, 2016, any unexpended funds shall lapse and have to be returned to LACMTA. Per agreement, all interest is accrued and placed in the capital reserve account for use exclusively for the El Pueblo Transit Hub Safety Project and any street improvement projects designated in the Account.

**NOTE 13 CAPITAL RESERVE ACCOUNT – PCLRF (CONTINUED)**

	<b>2016</b>	<b>2015</b>
Capital reserve balance at July 1	\$ 8,737,654	\$ 10,861,131
Add: Additional capital reserve	34,613	-
Add: Interest income	12,129	68,192
Less: Expenditures during the year	<u>(8,784,396)</u>	<u>(2,191,669)</u>
Capital reserve balance at June 30	<u>\$ -</u>	<u>\$ 8,737,654</u>

**NOTE 14 TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION**

The revenue allocation for the years ended June 30, 2016 and 2015 consisted of the following:

	<b>2016</b>	<b>2015</b>
FY 2012-13 Allocation	\$ -	\$ 228,511
FY 2013-14 Allocation	168,076	1,671,489
FY 2014-15 Allocation	1,497,998	-
FY 2015-16 Allocation	333,926	-
FS 2015-16 Allocation*	<u>257,000</u>	<u>-</u>
Total	<u>\$ 2,257,000</u>	<u>\$ 1,900,000</u>

\* The revenue was accrued at June 30, 2016. However, the drawdown was not processed by LACMTA until FY 2016/17 for FY 2015/16. This amount is presented as part of the balance of funds reserved as of June 30, 2016 on Note 15.

**NOTE 15 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 LACMTA. As of June 30, 2016, the County has funds on reserve as follows:

	<b>2016</b>	<b>2015</b>
FY 2013-14 Allocation	\$ -	\$ 168,076
FY 2014-15 Allocation	-	1,497,998
FY 2015-16 Allocation	<u>1,122,891</u>	<u>-</u>
Available reserve balance	<u>\$ 1,122,891</u>	<u>\$ 1,666,074</u>

For FY 2015/16, any TDA Article 3 funds left on reserve for FY 2011/12 or prior, are subject to lapse if not claimed by the County by June 30, 2016. There were no funds that lapsed in FY 2015/16.

**NOTE 15      SUBSEQUENT EVENTS**

The County has evaluated subsequent events through December 20, 2016, the date the financial statements were available to be issued, and concluded no events have occurred that require disclosure or adjustments to the financial statements.

**Report of Independent Auditors 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 Board of Supervisors of the  
County of Los Angeles, 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 Transportation Development Act Article 3 Fund and the Transportation Development Act Article 8 Fund (collectively, the Funds) of the County of Los Angeles, California (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audits of the Funds' financial statements, we considered the County's internal control over the Funds' financial reporting (internal control) to determine the 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Transportation Development Act Article 3 Fund and the Transportation Development Act Article 8 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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.

A handwritten signature in black ink that reads "Vazquez &amp; Company LLP". The signature is written in a cursive, flowing style.

**Los Angeles, California  
December 20, 2016**



**COMPLIANCE SECTION**

## Report of Independent Auditors on Compliance

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

### Report on Compliance

We have audited the compliance of the County of Los Angeles, California (the County) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Transportation Development Act Articles 3 and 8, and the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds and the LACMTA Guidelines for the Administration of TDA Article 8 (collectively, the Guidelines) for the year ended June 30, 2016.

### ***Management's Responsibility***

Management is responsible for the County's compliance with the Guidelines.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the County's compliance based on our audit. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guidelines. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, and Transportation Development Act Articles 3 and 8 Programs occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guidelines. However, our audit does not provide a legal determination of the County's compliance with the Guidelines.

### ***Opinion***

In our opinion, the County of Los Angeles, California complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2016.



## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 with the requirements, such that there is a reasonable possibility that material noncompliance 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 requirements 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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.

Los Angeles, California  
December 20, 2016

**County of Los Angeles  
Compliance Matrix  
Year ended June 30, 2016**

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>A. Proposition A and Proposition C Local Return Funds</b>					
1. Uses the State Controller's Uniform System of Accounts and Records.	X				
2. Timely use of funds.	X				
3. Funds expended were approved and have not been substituted for property tax.	X				
4. Expenditures that exceeded 25% of approved project budget have approved amended Project Description Form (Form A)	X				
5. Administrative expenses are within the 20% cap of the total annual Local Return Expenditures.	X				
6. All on-going and carryover projects were reported in Form B.	X				
7. Annual Project Summary Report (Form B) was submitted on time.	X				
8. Annual Expenditure Report (Form C) was submitted on time.	X				
9. Cash or cash equivalents are maintained.	X				
10. Accounting procedures, record keeping and documentation are adequate.	X				
11. Pavement Management System (PMS) in place and being used for Street Maintenance or Improvement Projects Expenditures.			X		
12. Local Return Account is credited for reimbursable expenditures.			X		
13. Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.			X		
14. Assurances and Understandings form was on file.	X				
15. Recreational Transit Form was submitted on time.	X				

County of Los Angeles  
Compliance Matrix  
Year ended June 30, 2016

Compliance Requirements	In Compliance			Questioned Costs	If no, provide details and management response.
	Yes	No	N/A		
<b>B. Measure R Local Return Fund</b>					
1. Funds were expended for transportation purposes.	X				
2. Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X				
3. Signed Assurances and Understandings on file.	X				
4. Separate Measure R Local Return Account was established.	X				
5. Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X				
6. Funds were expended with LACMTA's approval.	X				
7. Expenditure Plan (Form One) was submitted on time.	X				
8. Expenditure Report (Form Two) was submitted on time.	X				
9. Timely use of funds.	X				
10. Administrative expenses are within the 20% cap.			X		
11. Fund exchanges were approved by LACMTA.			X		
12. A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.			X		
13. Recreational transit form was submitted on time.			X		
<b>C. Transportation Development Act Article 3 Fund</b>					
1. Timely use of funds.	X				
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X				
<b>D. Transportation Development Act Article 8 Fund</b>					
1. Timely use of funds.	X				
2. Expenditures were incurred for transit, paratransit, and local streets and roads.	X				

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

There were no findings noted.

**HOLLYWOOD BOWL PARK AND RIDE  
REGIONAL TRANSIT PROJECT**



## Report of Independent Auditors on Compliance

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

### Report on Compliance

We have audited the compliance of the County of Los Angeles, California (County) with the provisions of the Memorandum of Understanding for Specialized Transportation Services MOU Number MOU.PO1 LACHB (MOU) between the County's Department of Public Works and Los Angeles County Metropolitan Transportation Authority for the Hollywood Bowl Park and Ride Regional Transit Project for the year ended June 30, 2016.

#### ***Management's Responsibility***

Management is responsible for the County's compliance with the provisions of the MOU.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the County's compliance based on our audit. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the MOU. Those standards and the MOU require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Hollywood Bowl Park and Ride Regional Transit Project occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the MOU. However, our audit does not provide a legal determination of the County's compliance with the MOU.

#### ***Opinion***

In our opinion, the County of Los Angeles complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2016.



## Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 with the requirements, such that there is a reasonable possibility that material noncompliance 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 requirements 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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 MOU. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vazquez &amp; Company LLP". The signature is written in a cursive, flowing style.

Los Angeles, California  
December 20, 2016

**County of Los Angeles  
Hollywood Bowl Park and Ride Regional Transit Project  
Supplementary Information  
Summary of Reported and Audited Project Expenditures  
Year ended June 30, 2016**

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**TRANSIT FUND ALLOCATION**

On June 17, 2015, Los Angeles County Metropolitan Transportation (LACMTA) approved \$1,057,000 in transit fund allocations to the Los Angeles County Department of Public Works (Grantee) to subsidize the Hollywood Bowl Shuttle Project (Project) for year ended June 30, 2016.

**AGREEMENT**

On January 9, 2009, LACMTA and the Grantee entered into a Memorandum of Understanding (MOU) amending the original agreement. In accordance with Section 2.2 of the MOU, the Grantee funds must be approved by LACMTA each fiscal year. The funds are available on a reimbursement basis limited to the lesser of (1) amount approved by LACMTA; or (2) 87% of Grantee's actual operating expenses less farebox revenue.

**SUMMARY OF REPORTED AND AUDITED PROJECT EXPENDITURES**

The amount of Grantee funds allocated for "reimbursement" for the year ended June 30, 2016 was \$1,057,000 as noted below:

<u>Brief Description</u>	<u>Reported Project Expenditure</u>	<u>Audit Adjustment</u>	<u>Audited Project Expenditure</u>
Total Project Costs (Operating)	\$ 1,369,871	\$ -	\$ 1,369,871
Percentage Allowable per Agreement	<u>87%</u>	<u>-</u>	<u>87%</u>
87% of Total Project Cost (\$1,369,871 * 87%) (A)	\$ <u>1,191,788</u>	\$ <u>-</u>	\$ <u>1,191,788</u>
LACMTA Approved - Transit fund allocation (B)	\$ <u>1,057,000</u>	\$ <u>-</u>	\$ <u>1,057,000</u>

**Lesser of**

(A) 87% of Total Project Costs or

(B) LACMTA Approved Transit Fund Allocation    \$ 1,057,000    \$ -    \$ 1,057,000

**EXIT CONFERENCE**

An exit conference was held on November 29, 2016 with the County of Los Angeles representatives. Those in attendance were:

Vasquez and Company LLP representatives:  
Cristy Canieda – Partner  
Marialyn Salvador – Audit Manager  
Shweta Mehrotra – Senior Auditor

County of Los Angeles representatives:  
Gan BoonKheng – Financial Specialist III, Internal Audit  
Minh Lam – Compliance Auditor, Internal Audit

Matters discussed:

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

A copy of this report was forwarded to the following County of Los Angeles representative for comments prior to the issuance of the final report:

Gan BoonKheng – Financial Specialist III, Internal Audit



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