

***COUNTY OF LOS ANGELES  
ANNUAL FINANCIAL REPORT OF THE  
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  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2017 AND 2016***



Simpson & Simpson, LLP  
Certified Public Accountants

**COUNTY OF LOS ANGELES**  
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*FINANCIAL SECTION*

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## Independent Auditor's Report

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 (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) of the County of Los Angeles, California (County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

### *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.

### *Auditor's 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 of 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, Proposition C Local Return Fund, Measure R Local Return Fund, Transportation Development Act Article 3 Fund, and Transportation Development Act Article 8 Fund of the County of Los Angeles, California, as of June 30, 2017, and the respective changes in their financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements present only 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 and do not purport to, and do not, present fairly the financial position of the County of Los Angeles, California, as of June 30, 2017, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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, 2016, were audited by other auditors, whose report, dated December 20, 2016, expressed an unmodified opinion on those statements.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the County of Los Angeles, California's PALRF, PCLRF, MRLRF, TDAA3 and TDAA8 fund financials as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the financial statements.

The supplemental 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 auditing standards generally accepted in the United States of America. In our opinion, the information 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 December 27, 2017 on our consideration of the County of Los Angeles's internal control over 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 financial reporting and compliance and the results of that testing, not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Los Angeles, California  
December 27, 2017

**COUNTY OF LOS ANGELES**

**PROPOSITION A LOCAL RETURN FUND**

**BALANCE SHEETS**

**JUNE 30**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and investments	\$ 48,926,491	\$ 47,839,209
Accounts receivable (Note 7)	1,085,880	1,726,086
Interest receivable	238,853	100,859
Due from other funds (Note 8)	257,151	219,001
Advances to ISF funds (Note 10)	195,900	191,900
Total assets	<u>\$ 50,704,275</u>	<u>\$ 50,077,055</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,971,004	\$ 2,711,835
Due to other funds (Note 8)	<u>865,231</u>	<u>672,034</u>
Total liabilities	<u>3,836,235</u>	<u>3,383,869</u>
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 9)	<u>105,700</u>	<u>105,700</u>
 <b>Fund Balance</b>		
Restricted	<u>46,762,340</u>	<u>46,587,486</u>
Total fund balance	<u>46,762,340</u>	<u>46,587,486</u>
Total liabilities and fund balance	<u>\$ 50,704,275</u>	<u>\$ 50,077,055</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**

**PROPOSITION A LOCAL RETURN FUND**

**STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Proposition A	\$ 17,880,495	\$ 18,890,617
Proposition A Discretionary Incentive Grant (Note 11)	1,313,389	1,646,829
Other government grants (Note 12)	4,490,404	400,384
EZ Pass revenues	2,347	41,105
Service reimbursements (Note 1)	690,248	639,461
Rents and concessions (Note 1)	686	672
Interest income	514,679	361,968
Miscellaneous	5,856	4,961
Sale of capital assets (Note 13)	500	-
Total revenues	<u>24,898,604</u>	<u>21,985,997</u>
<b>EXPENDITURES</b>		
Various projects	<u>24,723,750</u>	<u>19,487,552</u>
Total expenditures	<u>24,723,750</u>	<u>19,487,552</u>
Excess of revenues over expenditures	174,854	2,498,445
Fund balance at beginning of year	<u>46,587,486</u>	<u>44,089,041</u>
Fund balance at end of year	<u>\$ 46,762,340</u>	<u>\$ 46,587,486</u>

The accompanying notes are an integral part of the financial statements.



**COUNTY OF LOS ANGELES**

**PROPOSITION A LOCAL RETURN FUND**

**SUPPLEMENTAL INFORMATION**

**SCHEDULE OF EXPENDITURES**

**ACTUAL AND LACMTA APPROVED PROJECT BUDGET**

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2016)

Project Code	Project Name	2017			2016 Actual
		LACMTA Budget	Actual	Variance Favorable (Unfavorable)	
110-002	Santa Clarita Valley Local Bus	\$ 1,600,000	\$ 1,030,375	\$ 569,625	\$ 1,186,175
110-003	Palos Verdes Peninsula Shuttle	450,000	402,760	47,240	401,108
110-004	South Bay Commuter	40,000	-	40,000	-
110-015	Antelope Valley Commuter	600,000	411,787	188,213	411,687
110-016	SCV La Commuter	1,000,000	699,698	300,302	547,462
110-020	Boyle Heights/East Los Angeles DASH Shuttle	-	-	-	147,101
110-021	Unincorporated South Whittier Area Shuttle Service	800,000	960,107	(160,107)	646,614
110-023	Bassett/Avocado Heights Flex Route Shuttle Service	300,000	244,536	55,464	230,910
110-024	Marina del Rey Shuttle Pilot Program	100,000	48,853	51,147	37,403
110-109	Willowbrook Shuttle Service	1,500,000	755,126	744,874	747,176
110-110	Antelope Valley Bus Service	1,000,000	402,043	597,957	409,994
110-120	Rose Parade Shuttle Service	50,000	40,000	10,000	40,000
110-121	East Los Angeles Fixed Route Shuttle	1,300,000	1,482,744	(182,744)	1,167,982
110-18	Acton/Agua Dulce/Gorman Shuttle Program	150,000	82,576	67,424	78,681
110-20	Unincorporated South Whittier Area Shuttle Service	460,000	-	460,000	-
110-26	East Valinda Shuttle	300,000	257,852	42,148	214,531
110-27	Lennox Shuttle	300,000	191,350	108,650	199,444
110-28	Athens Shuttle	300,000	211,583	88,417	203,926
110-29	Florence-Firestone/Walnut Park Shuttle	500,000	360,413	139,587	298,242
110-30	Baldwin Hills Parklands Shuttle Service	100,000	66,712	33,288	54,188
110-31	Los Angeles County-USC Medical Center Shuttle Service	250,000	196,630	53,370	189,281
110-32	Topanga Canyon Beach Shuttle Service	600,000	159,263	440,737	-
110-33	Hacienda Heights/Rowland Heights Shuttle Service	600,000	321,328	278,672	-
110-34	Long Beach Pilot Shuttle	160,000	-	160,000	-
120-011	Agoura Area Dar	90,000	72,746	17,254	64,307
120-012	Mid-San Gabriel Paratransit	350,000	71,404	278,596	70,897
120-013	Santa Clarita Valley General Public	60,000	13,848	46,152	19,262
120-14	Florence-Firestone/Walnut Youth Program	30,000	-	30,000	-
130-003	Children's Court Shuttle	370,000	224,008	145,992	217,058
130-014	Rancho Los Amigos	500,000	273,252	226,748	276,198
130-020	Elderly and Disabled Paratransit	4,449,000	2,451,191	1,997,809	2,204,967
130-1	Los Nietos Community Shuttle Service	150,000	66,574	83,426	66,778
130-27	Santa Clarita Valley Elderly and Disabled DAR	300,000	122,188	177,812	149,239
140-005	Hollywood Bowl P/R Shuttle	4,000,000	1,820,999	2,179,001	1,946,410
140-007	Summer Beach Bus Program	500,000	376,256	123,744	377,947
140-017	Special Event Transportation	2,000,000	1,600,127	399,873	1,805,593
140-024	John Anson Ford Amphitheater Shuttle	75,000	74,211	789	2,156

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

**PROPOSITION A LOCAL RETURN FUND**

**SUPPLEMENTAL INFORMATION**

**SCHEDULE OF EXPENDITURES**

**ACTUAL AND LACMTA APPROVED PROJECT BUDGET**

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2016)

(Continued)

Project Code	Project Name	2017			2016 Actual
		LACMTA Budget	Actual	Variance Favorable (Unfavorable)	
150-035	Installation of Rapid Bus Shelters in Unincorporated Area of L.A. County	\$ 1,500,000	\$ 137	\$ 1,499,863	\$ 55,256
150-44	Bus Stop Amenities and Improvement Program	5,000,000	1,625,458	3,374,542	1,500,195
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	-	510,000	479,842
200-34	El Sol Shuttle Service: Purchase 7 Buses	3,500,000	3,430,899	69,101	-
200-35	Florence-Firestone/Walnut Park Shuttle: Purchase 2 Buses	1,000,000	976,846	23,154	-
200-36	Avocado Heights/Bassett/West Valinda and East Valinda:	1,000,000	-	1,000,000	-
230-6	Park & Ride Lot Security	370,000	401,837	(31,837)	338,534
250-004	Bus Fare Media Purchase	60,000	1,333	58,667	3,742
250-067	Bus Pass Subsidy	1,500,000	473,716	1,026,284	693,264
270-007	Proposition A Project Planning	1,000,000	822,580	177,420	962,094
270-012	Los Angeles County Unincorporated Area Unmet Transit	1,500,000	-	1,500,000	1,198
280-009	Los Angeles County Transit Web Site	100,000	15,005	84,995	11,521
280-10	Transit Services Smartphone Application	100,000	18,610	81,390	-
290-126	Park-And-Ride Lot Maintenance/Security	500,000	262,867	237,133	219,074
290-127	3rd Street & Laverne Avenue Park & Ride Lot	2,500,000	-	2,500,000	-
300-018	CSULA Metrolink Operations	100,000	74,655	25,345	81,401
360-001	Metro Blue Line Liability Sharing	200,000	141,627	58,373	90,177
360-04	Metro Rail Promotion	25,000	-	25,000	-
360-11	Acton Metrolink Station Rural Lighting Ordinance	500,000	-	500,000	-
390-06	UPRR Security Fencing Project	2,875,000	-	2,875,000	-
390-07	UPRR Metro Blue Line Landscape Maint-Nadeau Street to	35,000	-	35,000	-
480-004	Board of Supervisors Staff Support	1,000,000	841,737	158,263	638,537
480-05	Rail-Volution Conference	50,000	-	50,000	-
480-07	APTA Conference	5,000	-	5,000	-
110-021	DASH Boyle Heights/East LA Shuttle Service	460,000	143,903	316,097	-
	<b>Total expenditures</b>	<b>\$ 53,624,000</b>	<b>\$ 24,723,750</b>	<b>\$ 28,900,250</b>	<b>\$ 19,487,552</b>

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

PROPOSITION A LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION  
SCHEDULE OF CAPITAL ASSETS

June 30, 2017

Date Acquired	Description	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
2002	Bus Shuttle El Dorado	\$ 285,969	\$ -	\$ 142,984	\$ 142,985
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 TRANST/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 2011 GM - Handicapped	543,655	-	-	543,655
2011	8 Bus Shuttle 2004 Model EZ Rider	584,431	-	-	584,431
2012	Shelter 2011/Parking Booth Company AS810-1SW	15,073	-	-	15,073
2012	Shelter 2011/Parking Booth Company AS810-1SW	15,073	-	-	15,073
2013	Bus Transit 2013 Eldorado Axess 35 CNG (L-315)	447,213	-	-	447,213
2013	Bus Transit 2013 Eldorado 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
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-318)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-319)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-320)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-321)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-322)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-323)	-	490,128	-	490,128
2016	BUS PASSENGER 2016/ELDORADO AXES 35 WHITE CNG (L-324)	-	490,128	-	490,128
2017	BUS PASSENGER 2016/ELDORADO AXES 35 CNG (L-326)	-	488,423	-	488,423
2017	BUS PASSENGER 2016/ELDORADO AXES 35 CNG (L-325)	-	488,423	-	488,423
Total		\$ 7,579,563	\$ 4,407,742	\$ 142,984	\$ 11,844,321

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**BALANCE SHEETS**  
**JUNE 30**

	2017	2016
<b>ASSETS</b>		
Cash and investments	\$ 46,566,272	\$ 50,700,866
Accounts receivable (Note 7)	11,393,330	10,457,016
Interest receivable	252,650	116,742
Other receivable	2,356	108,863
Due from other funds (Note 8)	407,459	375,121
Advances to ISF funds (Note 10)	756,300	615,200
Total assets	\$ 59,378,367	\$ 62,373,808
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,351,630	\$ 225,914
Due to other funds (Note 8)	2,407,932	1,615,513
Other payables	494	976
Total liabilities	4,760,056	1,842,403
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 9)	4,502,646	3,939,855
 <b>Fund Balance</b>		
Restricted	50,115,665	56,591,550
Total fund balance	50,115,665	56,591,550
Total liabilities and fund balance	\$ 59,378,367	\$ 62,373,808

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**

**PROPOSITION C LOCAL RETURN FUND**

**STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Proposition C	\$ 15,932,715	\$ 15,672,951
Proposition C Discretionary Incentive Grants (Note 11)	12,102,340	9,388,817
Services reimbursements (Note 1)	1,928,554	2,374,179
Interest income	555,605	384,934
Other revenues	4,402	-
Total revenues	<u>30,523,616</u>	<u>27,820,881</u>
 <b>EXPENDITURES</b>		
Various projects	<u>36,999,501</u>	<u>31,121,045</u>
Total expenditures	<u>36,999,501</u>	<u>31,121,045</u>
 Deficiency of revenues over expenditures	(6,475,885)	(3,300,164)
 Fund balance at beginning of year	<u>56,591,550</u>	<u>59,891,714</u>
 Fund balance at end of year	<u>\$ 50,115,665</u>	<u>\$ 56,591,550</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND LACMTA APPROVED PROJECT BUDGET**

For the Fiscal Year Ended June 30, 2017  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2016)

Project Code	Project Name	2017			2016 Actual
		LACMTA Budget	Actual	Variance Favorable (Unfavorable)	
270-13	County Contribution to Gateway Cities COG I-710 Major Corridor Study	\$ 1,250,000	\$ 1,204	\$ 1,248,796	\$ -
360-12	Metro Green Line Vermont Station Wayfinding Signage	495,000	48,348	446,652	-
360-13	Hollywood/Highland Red Line Station Wayfinding Signage	100,000	6,971	93,029	-
380-001	Stree Improvement Projects	-	-	-	8,784,396
400-002	Santa Clarita ITS	591,000	115	590,885	13,066
400-008	Gateway Cities Forum	4,738,000	1,360,164	3,377,836	3,434,887
400-010	Los Angeles County Traffic Management Center	250,000	46,599	203,401	5,964
400-021	South Bay Traffic Signal Forum	3,400,000	1,704,572	1,695,428	1,746,558
400-030	Traffic Management Center Operations	-	-	-	594,129
400-05	Information Exchange Network	1,750,000	362,061	1,387,939	217,747
400-27	San Gabriel Valley Regional Traffic Signal Forum	-	-	-	438
400-30	Traffic Management Center Operations	985,000	378,198	606,802	-
400-32	Slauson Ave Corridor Improvements- Signals Project	720,000	283,459	436,541	211,726
400-33	South Bay Forum Traffic Signal Corridors Project- 2007 Call (F1311)	3,292,000	3,168,285	123,715	456,448
400-34	Gateway Cities Forum Traffic Signal Corridors Project- 2007 Call (F1312)	3,291,000	1,864,508	1,426,492	689,711
400-35	San Gabriel Valley Forum Traffic Signal Corridors Project- 2007 Call (F1321)	6,857,000	6,737,110	119,890	4,397,984
400-36	I-5 Corridor ITS Improvements	100,000	36,168	63,832	31,315
400-37	Information Exchange Network XML Command Data Interface	350,000	53,800	296,200	301,308
400-38	Countywide Signal Priority, Phase II	696,300	201,770	494,530	115,974
400-39	El Segundo Area ITS (Operations and Maintenance)	620,000	280,242	339,758	394,944
400-40	San Gabriel Valley Forum Traffic Signal Corridors Project - 2009 CFP	13,650,700	461,880	13,188,820	109,497
400-41	Gateway Cities Forum Traffic Signal Corridors Project - 2009 Call (F3309)	3,625,000	723,052	2,901,948	314,640
400-42	South Bay Forum Traffic Signal Corridors Project- 2009 Call (F3310)	2,625,000	713,701	1,911,299	285,468
400-43	Information Exchange Network (EIN) Phase III - 2009 Call (F3311)	3,487,000	33,542	3,453,458	-
400-44	Ramona Bl/Badillo St/Covina Bl TSSP/BSP - 2011 Call (F5310)	317,200	-	317,200	-
400-45	South Bay Arterial Performance Measurement Project - Metro Express Lanes	504,000	46,848	457,152	14,913
430-016	North County Bikeways	10,000	-	10,000	14,213
430-19	Eastside Ligh Rail/Bike Interface	1,470,000	303,431	1,166,569	529,700
430-20	Emerald Necklace Bike Trail	250,000	39,874	210,126	540,334
430-201	170th Street East Bike Lane	10,000	-	10,000	4,536
430-24	El Pueblo Transit Hub Safety Improvements	4,100,000	-	4,100,000	-
430-25	Willowbrook bikeway improvement (RDC0015556)	1,750,000	97,694	1,652,306	44,098
430-28	East Avenue O Bike Lane	10,000	-	10,000	39,742
430-30	90th Street East/87th Street East Bike Lane	10,000	-	10,000	4,531
430-31	Quarry Clasp/Peck Park Biker Trail	2,600,000	53,736	2,546,264	181,768
430-34	Los Angeles River Regional Bike Path	13,500,000	314,788	13,185,212	562,279
430-35	Altadena Dr. and Washington Bl Bikeway Improvements	1,960,000	405,238	1,554,762	476,845
430-36	South San Gabriel Bikeway Access Improvements	900,000	10,619	889,381	161,722
430-37	Florence-Firestone Bikeway Access Improvements	1,310,000	688	1,309,312	110,577
430-38	West Rancho Dominquez Bikeway Access Improvements	1,640,000	40,021	1,599,979	141,415
430-39	Charter Oak Bikeway Access Improvements	1,130,000	109,776	1,020,224	231,849
430-40	Bike Path Pavement Rehabilitation - Admiralty Way	750,000	-	750,000	60,820
430-42	Florence Metro Blue Line Station Bikeway Access Improvements	1,625,000	202,474	1,422,526	429,204

See accompanying independent auditor's report.

COUNTY OF LOS ANGELES

PROPOSITION C LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES

ACTUAL AND LACMTA APPROVED PROJECT BUDGET

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2016)

(Continued)

Project Code	Project Name	2017			2016 Actual
		LACMTA Budget	Actual	Variance Favorable (Unfavorable)	
430-43	Vermont Avenue-Manchester Av/El Segundo Bl (Bike Lane)	\$ 1,100,000	\$ 174,395	\$ 925,605	\$ 305,626
430-44	Susana Rd. et al.	4,600,000	4,353,973	246,027	108,135
430-45	Marvin Braude Bike Trail Repair	300,000	255,854	44,146	56,744
430-46	Los Angeles River Valley Bikeway and Greenway Projec	1,500,000	1,500,000	-	-
430-47	San Gabriel River Bike Trail under I-10 Freeway	300,000	62,901	237,099	-
430-48	Marvin Braude Bike Path - Venice Beach Signing/Striping	200,000	-	200,000	-
430-49	Vincent Community Bikeways	4,700,000	15,563	4,684,437	-
430-50	West Carson Community Bikeways	700,000	30,508	669,492	-
430-51	Hawthorne/Lennox Green Line Station Community Linkages	3,100,000	42,834	3,057,166	-
430-52	Aviation/LAX Green Line Station Community Linkages	3,000,000	15,998	2,984,002	-
430-53	Firestone Blue Line Station Intersection and Bikeway Improvements Projec	1,900,000	2,344	1,897,656	-
430-54	Eaton Wash Bike Path - Phase 1	2,000,000	1,143	1,998,857	-
430-55	East Pasadena and East San Gabriel Bikeway Access Improvements	2,300,000	-	2,300,000	-
430-56	Budlong Av - Manchester Av/El Segundo Bl - SR2S	1,500,000	-	1,500,000	-
430-57	Mureau Road Bikeway and Roadway Improvements	1,000,000	-	1,000,000	-
440-017	Valley Bl-San Gabriel River Fwy/Temple Av	-	-	-	(199,989)
440-059	Centinela Ave, Et. Al	20,000	-	20,000	-
440-112	Imperial Hwy - Carmenita Rd/Valley View Ave	50,000	-	50,000	-
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 Bl, Et Al.	500,000	275,529	224,471	137,439
440-135	Foothill Bl. - Rosemead Bl/Michillinda Av	1,500,000	338,732	1,161,268	96,691
440-143	Norwalk Bl, Et Al.	3,335,000	109,113	3,225,887	173,440
440-147	Del Arno Bl -1,140' E/o Alameda St East/Long Beach Fwy (split from 124-440)	50,000	-	50,000	(60,418)
440-151	108th St-Denker Av/Normandie Av, Et Al.	250,000	134,589	115,411	(70,312)
440-163	Firestone Boulevard-Central Av/Graham Ave, Et Al	3,500,000	2,878,301	621,699	3,318
440-184	50th Street W - Avenue K/Avenue N	-	-	-	(6,660)
440-188	Heller Circle - Whites Cy R/Plum Cy Rd (North)	600,000	300,088	299,912	515,751
440-191	Wilshire Bl, Et Al. (RDC0015533)	3,800,000	483,344	3,316,656	393,514
440-192	Washington Bl, et. al. (formerly Valley View Av et. al)	5,500,000	31,172	5,468,828	91,979
440-193	Hacienda Boulevard at Gale Avenue	4,000,000	-	4,000,000	384,369
440-195	Marina Del Rey Street Improvements - Marina Del Ray (RDC0015781)	100,000	-	100,000	3,868
440-196	Via Marina St-Panay Way to 1727' S/O Bora Way	500,000	62,933	437,067	81,424
440-197	Huntington Dr - San Gabriel Bl/Michilinda Ave	3,000,000	586,991	2,413,009	171,615
440-199	New York Dr - Lake Ave to 120 ft W/O Altadena Dr	100,000	62,424	37,576	-
440-200	Fiji Way Road-Improvements (RDC0015796)	100,000	-	100,000	-
440-201	East Los Angeles Community Roadway Improvemen	1,000,000	589,990	410,010	88,599
440-205	Pennsylvania Av - Markridge Rd/Montrose Av	700,000	6,650	693,350	1,634
440-206	Leffingwell Rd - Telegraph Rd/La Mirada Bl	1,165,000	7,518	1,157,482	107,080
440-207	Imperial Hwy and Telegraph Rd Roadway Improvements - La Mirada	50,000	-	50,000	450,000
440-208	Colima Road-City of Whittier Boundary to Fullerton Road	13,000,000	1,151,272	11,848,728	110,649
440-209	Overhill Drive-La Brea Avenue to Slauson Avenue	2,500,000	403,722	2,096,278	-
440-210	Los Nietos Safe Routes to School - Phase I	1,550,000	78,923	1,471,077	-
440-221	Vermont Green Line Intersection Improvements Project	2,100,000	-	2,100,000	-
460-148	North County/Antelope Valley Traffic Forum Improvement Project	2,000,000	150,661	1,849,339	396,470
470-002	Countywide Pavement Management System Program	1,250,000	960,588	289,412	1,201,957
470-01	Pavement Management Field Evaluation Equipment	100,000	-	100,000	-
480-001	Traffic Signal Synchronization Program Training	150,000	4,687	145,313	1,894
480-014	Proposition C Project Planning & Coordination	1,480,000	1,835,825	(355,825)	921,482
	Total expenditures	\$ 169,019,200	\$ 36,999,501	\$ 132,019,699	\$ 31,121,045

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

**PROPOSITION C LOCAL RETURN FUND**

**SUPPLEMENTAL INFORMATION  
SCHEDULE OF CAPITAL ASSETS**

June 30, 2017

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>
2004	Video Wall Screen	\$ 469,773	\$ -	\$ -	\$ 469,773
2005	Plotter HP Design Jet 815	19,070	-	-	19,070
2005	Dell Poweredge Server 1850	20,796	-	-	20,796
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 CTO3	7,768	-	-	7,768
2014	Server HP BLC7000 CTO3	14,828	-	-	14,828
2014	Firewall Palo Alto Networks PA-500	16,525	-	-	16,525
2015	Server HP BLC7000 CTO3	3,222	-	-	3,222
2017	Server HP BL460c	-	10,680	-	10,680
2017	Server HP BL460c	-	10,680	-	10,680
	<b>Total</b>	<b>\$ 637,602</b>	<b>\$ 21,360</b>	<b>\$ -</b>	<b>\$ 658,962</b>

See accompanying independent auditor's report.



**COUNTY OF LOS ANGELES**

**MEASURE R LOCAL RETURN FUND**

**BALANCE SHEETS**

**JUNE 30**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and investments	\$ 34,079,099	\$ 30,685,999
Interest receivable	173,013	61,390
Accounts receivable (Note 7)	1,372,417	8,924
Due from other funds	3,738	6,630
Advances to other funds	-	168,000
Total assets	<u>\$ 35,628,267</u>	<u>\$ 30,930,943</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 455,111	\$ 326,529
Due to other funds	485,696	259,084
Total liabilities	<u>940,807</u>	<u>585,613</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 9)	<u>923</u>	<u>924</u>
<b>Fund Balance</b>		
Restricted	<u>34,686,537</u>	<u>30,344,406</u>
Total fund balance	<u>34,686,537</u>	<u>30,344,406</u>
Total liabilities and fund balance	<u>\$ 35,628,267</u>	<u>\$ 30,930,943</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**

**MEASURE R LOCAL RETURN FUND**

**STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Measure R	\$ 11,943,552	\$ 11,759,058
Interest income	361,606	209,043
Other revenues	<u>1,795,582</u>	<u>76,919</u>
Total revenues	<u>14,100,740</u>	<u>12,045,020</u>
 <b>EXPENDITURES</b>		
Various projects	<u>9,758,609</u>	<u>4,633,788</u>
Total expenditures	<u>9,758,609</u>	<u>4,633,788</u>
 Excess of revenues over expenditures	4,342,131	7,411,232
 Fund balance at beginning of year	<u>30,344,406</u>	<u>22,933,174</u>
 Fund balance at end of year	<u>\$ 34,686,537</u>	<u>\$ 30,344,406</u>

The accompanying notes are an integral part of the financial statements

COUNTY OF LOS ANGELES

MEASURE R LOCAL RETURN FUND

SUPPLEMENTAL INFORMATION  
SCHEDULE OF EXPENDITURES  
ACTUAL AND LACMTA APPROVED PROJECT BUDGET

For the Fiscal Year Ended June 30, 2017  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2016)

Project Code	Project Name	2017			2016 Actual
		LACMTA Budget	Actual	Variance Favorable (Unfavorable)	
1.05	Overhill Drive - Stocker Street to Slauson Avenue	\$ 100,000	\$ -	\$ 100,000	\$ -
1.05	Mc Donnell Ave, Et Al.	4,000,000	2,167,662	1,832,338	120,535
1.05	7th Avenue form Gale Avenue to Palm Avenue	-	-	-	282,310
1.05	Firestone Bl - Central Ave to Graham, Et Al.	750,000	235,645	514,355	69,302
1.05	Ballentine Place, Et Al.	-	-	-	(3,913)
1.05	Olympiad Dr, Et Al.	-	-	-	3,947
1.05	Tranbarger St, Et Al.	100,000	-	100,000	338,921
1.05	Pathfinder Rd - Fullerton Rd/1,300' E/o Fullerton Rd	150,000	112,911	37,089	517,579
1.05	Southridge Avenue, Et Al.	100,000	-	100,000	-
1.05	Templin Hwy at MM 0.30	600,000	-	600,000	-
1.05	Angeles Forest Hwy, Et Al, Phase 2	300,000	(131)	300,131	179,235
1.05	Garo St, Et AL. (formerly Santa Bianca Rd, Et Al.)	100,000	-	100,000	1,019
1.05	Lennox Community Improvements, Phase 2 (formerly West 104th)	100,000	-	100,000	-
1.05	Avenue G over SR 14 Fwy	30,000	-	30,000	3,599
1.05	Columbia Way/Avenue M-60th St W/SR14 Fwy	-	(147)	147	641,417
1.05	40th St East-200' N/o Barrel Springs Rd/MM 19.85	100,000	-	100,000	188,171
1.05	Whiteside St, Et Al.	100,000	-	100,000	-
1.05	Avenue N over SR 14 Fwy	30,000	-	30,000	-
1.10	Fullerton Rd Corridor Improvement (formerly Fullerton Rd-Valley B	150,000	5,630	144,370	-
1.10	Metro I-710 Corridor Project	30,000	5,844	24,156	-
1.20	Cesar E Chavez/Lorena/Indiana-Interestion Improvement	1,000,000	350	999,650	8,453
1.25	San Bernardino Rd - Nora Av/Yaleton Av (sidewalk)	500,000	167,795	332,205	46,802
1.25	75th St East, Et Al., Ph 1 (Pavement Preserve)	-	-	-	33,999
1.30	Mayflower Avenue south of Lynd Avenue	100,000	1,465	98,535	154,823
1.30	Slauson Avenue Revitalization (fromerly Slauson Ave from La Brea to West of Angeles Vista Bl)	3,000,000	2,753,238	246,762	311,103
1.30	Parklets East Los Angeles	100,000	-	100,000	4,920
1.30	Parklets East Los Angeles (General Liability Insurance)	50,000	29,928	20,072	31,270
1.30	Avocado Heights Multiuse Trail	-	-	-	201,464
1.30	City Terrace Greening Project	50,000	23,413	26,587	13,075
1.30	Willowbrook Streetscape Improvement Project	3,000,000	1,995,324	1,004,676	728,609
1.30	Main St, Avalon Bl, and Rosecrans Av Landscape Improvements	1,500,000	821,924	678,076	307,586
1.30	Willowbrook Green Alley Project	1,100,000	1,141,070	(41,070)	265,483
1.30	Workman Mill Road from Oakman Drive to Valley Boulevard	100,000	-	100,000	-
1.30	Mureau Road at Mountain View Dr Landscaped Median Retrofit	500,000	-	500,000	-
1.90	Other street improvments including ADA throughout the County (Antelope Valley)	100,000	-	100,000	-
1.90	Other street improvments including ADA throughout the County (LA Basin)	100,000	8,050	91,950	(36,784)
2.01	30th St at Rancho Vista Bl (Avenue P)	100,000	-	100,000	-
3.05	Rosemead Boulevard Interim Complete Streets	50,000	36,269	13,731	-
3.05	Calvary Cemetery Pedestrian Path	300,000	92,846	207,154	111,116
3.05	Atwater Landing Project	250,000	-	250,000	-
3.05	San Jose Creek Bike Trail, Phase 2a	100,000	-	100,000	-
3.10	Metro Station Linkages Signage Design	75,000	734	74,266	-
3.20	103rd Street Improvements (Watts Streetscape Enhancements)	100,000	-	100,000	-
3.20	Vermont Avenue Streetscape Improvements	100,000	103,402	(3,402)	-
4.05	SD 5 - Expansion of service in North County	50,000	-	50,000	-
6.40	Open Street Event - Long Beach	-	-	-	78,000
8.10	Project Administration	500,000	55,387	444,613	31,747
	Total expenditures	\$ 19,565,000	\$ 9,758,609	\$ 9,806,391	\$ 4,633,788

**COUNTY OF LOS ANGELES**

**MEASURE R LOCAL RETURN FUND**

**SUPPLEMENTAL INFORMATION  
SCHEDULE OF CAPITAL ASSETS**

June 30, 2017

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>
None		\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99234)**

**BALANCE SHEETS**

**JUNE 30**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and investments	\$ 986,191	\$ 45,911
Accounts receivable (Note 7)	-	267,369
Interest receivable	4,670	766
Due from other funds (Note 8)	<u>694</u>	<u>5,637</u>
Total assets	<u>\$ 991,555</u>	<u>\$ 319,683</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 251	\$ 361
Due to other funds (Note 8)	<u>64,579</u>	<u>95,965</u>
Total liabilities	<u>64,830</u>	<u>96,326</u>
 <b>Fund Balance</b>		
Restricted	<u>926,725</u>	<u>223,357</u>
Total fund balance	<u>926,725</u>	<u>223,357</u>
Total liabilities and fund balance	<u>\$ 991,555</u>	<u>\$ 319,683</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**

**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**

**STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
TDA 3 (Note 15)	\$ 1,903,800	\$ 2,257,000
Interest income Other revenues	8,469 <u>1,000</u>	3,602 <u>42,603</u>
Total revenues	<u>1,913,269</u>	<u>2,303,205</u>
<b>EXPENDITURES</b>		
Bikeway Fund	<u>1,209,901</u>	<u>2,348,902</u>
Total expenditures	<u>1,209,901</u>	<u>2,348,902</u>
Excess (deficiency) of revenues over expenditures	703,368	(45,697)
Fund balance at beginning of year	<u>223,357</u>	<u>269,054</u>
Fund balance at end of year	\$ <u><u>926,725</u></u>	\$ <u><u>223,357</u></u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**

TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
SUPPLEMENTAL INFORMATION

SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT  
ALLOCATION FOR SPECIFIC PROJECTS

For the Fiscal Year Ended June 30, 2017

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
<b>Local allocations</b>					
High Priority Bikeways Consultant Study	2017	\$ 150,000	\$ 20,469	\$ 129,531	Ongoing
Bikeway Project Development - 1st District	2017	50,000	1,726	48,274	Ongoing
Bikeway Project Development - 2nd District	2017	50,000	5,621	44,379	Ongoing
Bikeway Project Development - 3rd District	2017	45,000	12,712	32,288	Ongoing
Bikeway Project Development - 4th District	2017	50,000	888	49,112	Ongoing
Bikeway Project Development - 5th District	2017	50,000	1,611	48,389	Ongoing
As-Needed Bicycle Counts	2017	30,000	-	30,000	Ongoing
MBBT Bike and Ped Counts	2017	500	-	500	Ongoing
Operations and Maintenance of Bike Paths (Sweep)	2017	480,000	556,496	(76,496)	Ongoing
Operations and Maintenance of Bike Paths (Signs)	2017	22,400	16,944	5,456	Ongoing
Operations and Maintenance of Bike Paths (Stripin	2017	90,000	4,990	85,010	Ongoing
Program Management and Coordination	2017	679,900	456,398	223,502	Ongoing
Bike Path Repairs	2017	66,000	129,964	(63,964)	Ongoing
Bike Paths Rehabilitation	2017	130,000	2,082	127,918	Ongoing
Total		<u>\$ 1,893,800</u>	<u>\$ 1,209,901</u>	683,899	
Interest income and other revenues				9,469	
Revenue accrual				10,000	
Fund balance at beginning of year				<u>223,357</u>	
Fund balance at end of year				* <u>\$ 926,725</u>	

\* On December 19, 2017, the County received a waiver from LACMTA to carry forward the fund balance until June 30, 2018.

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND  
(PURSUANT TO PUBLIC UTILITIES CODE SECTION 99400)**

**BALANCE SHEETS**

**JUNE 30**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Interest Receivable	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
<b>Fund Balance</b>		
Restricted	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.



**COUNTY OF LOS ANGELES**

**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND**

**STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

For the Fiscal Years Ended June 30

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
TDA8F Revenue	\$ 4,280,545	\$ 4,117,340
Interest Income	<u>6,980</u>	<u>4,689</u>
Total revenues	<u>4,287,525</u>	<u>4,122,029</u>
<b>EXPENDITURES</b>		
Various projects	<u>4,287,525</u>	<u>4,124,942</u>
Total expenditures	<u>4,287,525</u>	<u>4,124,942</u>
Excess (deficiency) of revenues over expenditures	-	(2,913)
Fund balance at beginning of year	<u>-</u>	<u>2,913</u>
Fund balance at end of year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF LOS ANGELES**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND**  
**SUPPLEMENTAL INFORMATION**

**SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT**  
**ALLOCATION FOR SPECIFIC PROJECTS**

For the Fiscal Year Ended June 30, 2017

Project Description	Program Year	Allocations	Expenditures	Unexpended Allocations	Project Status
<b>Local allocations</b>					
Bouquet Cyn Rd-MM11.50/MM15.89 (Creek flow restoration)	2017	\$ 250,000	\$ 172,612	\$ 77,388	Ongoing
Elizabeth Lake Rd-2,453 W/Munz Ranch Rd/2,095 E/Bouquet Cyn	2017	200,000	186,774	13,226	Ongoing
50th St West at Avenue M-2-Install Traffic Signal	2017	350,000	340,452	9,548	Ongoing
Avenue Lat 42nd St W-Install Traffic Signal	2017	200,000	22,345	177,655	Ongoing
Pico Canyon Rd at The Old Road-Traffic Signal Upgrade	2017	100,000	-	100,000	Ongoing
Sierra Hwy at Education Hwy-Install Traffic Signal	2017	330,000	348,609	(18,609)	Ongoing
Angeles Forest Highway Road Rehabilitation Project (FLAP) Local Match	2017	400,000	96,908	303,092	Ongoing
Lancaster Fall Pavement Maintenance Program (ABO)	2017	267,000	294,429	(27,429)	Ongoing
The Old Road at Sagecrest Cir (North)-Traffic Signal Upgrade	2017	20,000	-	20,000	Ongoing
Auto Center Dr at 10th St W-Install TS (ABO)(PLM)	2017	100,000	-	100,000	Ongoing
Quartz Hill Elem Sch -Traffic Imprvmts (Non-Participating)	2017	225,000	277,056	(52,056)	Ongoing
Road Maintenance Activities	2017	1,838,545	2,548,340	(709,795)	Ongoing
Total		\$ 4,280,545	\$ 4,287,525	(6,980)	
Interest income during the year				6,980	
Fund balance at beginning of year				-	
Fund balance at end of year				\$ -	

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**

**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2017 and 2016

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Fund Accounting*

The operations of the Proposition A Local Return Fund (PALRF) and Proposition C Local Return Funds (PCLRF), Measure R Local Return Fund (MRLRF), Transportation Development Act Article 3 Fund (TDAA3F), and Transportation Development Act Article 8 Fund (TDAA8F) 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 represents 15% of the 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.

Transportation Development Act Article 3 Fund (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.

Transportation Development Act Article 8 Fund (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*

PALRF, PCLRF, MRLRF, TDAA3F, and TDAA8F are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are 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.

## **COUNTY OF LOS ANGELES**

### **NOTES TO FINANCIAL STATEMENTS** For the Fiscal Years Ended June 30, 2017 and 2016 (Continued)

#### **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 2017 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, 2017:

- 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 recognize 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, 2017 and 2016.

**COUNTY OF LOS ANGELES**

**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**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 and PCLRF 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 ending June 30, 2017 and June 30, 2016, the County received \$690,248 and \$639,461, respectively, for Proposition A and \$1,928,554 and \$2,374,179, respectively, for Proposition C.

*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 ending June 30, 2017 and June 30, 2016, the County collected \$686 and \$672, respectively.

**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 their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Transportation Development Act Article 3 and 8, and the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act Article 3 Bicycle and Pedestrian Funds.

**NOTE 3 – PROPOSITION A AND PROPOSITION C LOCAL RETURN COMPLIANCE REQUIREMENTS**

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.

**NOTE 4 – MEASURE R LOCAL RETURN COMPLIANCE REQUIREMENTS**

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.

**COUNTY OF LOS ANGELES**

**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 5 – TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 COMPLIANCE REQUIREMENTS**

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

**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 monthly balances to the total of the pooled cash and investments on its external investment pools.

**NOTE 7 – ACCOUNTS RECEIVABLES**

The PALRF, PCLRF, MRLRF, and TDAA3F accounts receivable balances represent monies to be paid to the County as of June 30, 2017 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>Agency</u>	<b>2017</b>	<b>2016</b>
<b><u>PARLF</u></b>		
Los Angeles County Metropolitan Transportation Authority	\$ 363,302	\$ 136,150
Department of Transportation	722,578	1,589,936
Total	<u>\$ 1,085,880</u>	<u>\$ 1,726,086</u>

<u>Agency</u>	<b>2017</b>	<b>2016</b>
<b><u>PCLRF</u></b>		
Los Angeles County Metropolitan Transportation Authority	\$ 6,596,735	\$ 5,463,347
Department of Transportation	4,796,595	4,993,669
Total	<u>\$ 11,393,330</u>	<u>\$ 10,457,016</u>

<u>MRLRF</u>	<b>2017</b>	<b>2016</b>
Los Angeles County Metropolitan Transportation Authority	\$ 923	\$ 924
Department of Transportation	1,239,579	8,000
Community Development Commission	29,928	-
Transportation Enhancement Act (TEA)	101,987	-
Total	<u>\$ 1,372,417</u>	<u>\$ 8,924</u>

**COUNTY OF LOS ANGELES**

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 7 – ACCOUNTS RECEIVABLES (Continued)**

<b><u>TDAA3F</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Los Angeles County Metropolitan Transportation Authority	\$ -	\$ 257,338
City of Lynwood	-	10,031
Total	<u>\$ -</u>	<u>\$ 267,369</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 30<sup>th</sup> but before the fiscal year's closing on August 15<sup>th</sup> are temporarily recorded in these clearing accounts, which are reversed in the subsequent period.

The due from balances as of June 30, 2017 comprised of the following amounts:

<b><u>PALRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 103,269	\$ 81,308
General Fund	153,882	137,693
	<u>\$ 257,151</u>	<u>\$ 219,001</u>

<b><u>PCLRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Public Works – Road Fund	\$ -	\$ 60,418
Los Angeles River Bike Path Project	27,871	-
Internal Service Fund	379,588	314,703
	<u>\$ 407,459</u>	<u>\$ 375,121</u>

<b><u>MRLRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 3,738	\$ 6,630
	<u>\$ 3,738</u>	<u>\$ 6,630</u>

<b><u>TDAA3F</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 694	\$ 5,637
	<u>\$ 694</u>	<u>\$ 5,637</u>

**COUNTY OF LOS ANGELES**

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 8 – DUE FROM OTHER FUNDS/ DUE TO OTHER FUNDS (Continued)**

The due to balances as of June 30, 2017 comprised of the following amounts:

<b><u>PALRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 438,127	\$ 310,737
General Fund	427,104	239,491
Float Fund	-	121,806
	<u>\$ 865,231</u>	<u>\$ 672,034</u>
<b><u>PCLRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 1,429,873	\$ 1,211,794
Road Fund	9,633	21,661
Public Works – Flood Fund	64	362,641
General Fund	968,362	19,417
	<u>\$ 2,407,932</u>	<u>\$ 1,615,513</u>
<b><u>MRLRF</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 420,559	\$ 221,320
Road Fund	1,665	-
Public Works – Flood Fund	55,387	31,746
General Fund	8,085	6,018
	<u>\$ 485,696</u>	<u>\$ 259,084</u>
<b><u>TDAA3F</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Internal Service Fund	\$ 63,563	\$ 66,170
Public Works – Flood Fund	-	29,795
General Fund	1,016	-
	<u>\$ 64,579</u>	<u>\$ 95,965</u>



**COUNTY OF LOS ANGELES**

**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 9 – DEFERRED INFLOWS OF RESOURCES – PALRF, PCLRF AND MRLRF**

Deferred inflows of resources represent monies received in advance from other cities or agencies for various transit-related projects for work not yet performed. As the work is completed based on the contractual agreement, the County formally recognizes revenue. In fiscal years ended June 30, 2017 and 2016, the County recorded deferred inflow of resources when the availability of the funds was not determined at fiscal year-end.

The issuance of Governmental Accounting Standards Board No. 65, Items Previously Reported as Assets and Liabilities, established accounting and financial reporting standards that reclassify certain liabilities as deferred inflows of resources. A deferred inflow of resources is defined as those resources that are not available for spending in the current period. Since the reimbursements from other funds were not available for spending PALRF, PCLRF, and MRLRF in fiscal years ended June 30, 2017 and 2016, the amount was reported as deferred inflows of resources. As of June 30, 2017, the deferred inflow of resources was \$105,700 for PALRF, \$4,502,646 for PCLRF and \$923 from the Measure R. As of June 30, 2016, the deferred inflow of resources was \$105,700 for PALRF, \$3,939,855 for PCLRF and \$924 from the Measure R.

**NOTE 10 – ADVANCES TO INTERNAL SERVICE FUNDS**

The County utilizes an internal service fund (ISF) to pay for all payroll, equipment and material usage between departments. In order to maintain cash for the “Advances to ISF Account” all County funds allocate based on its funds size a pro-rata portion of its cash. The PALRF and PCLRF amounts are primarily used to cover the cost of payroll usage from other departments and evaluated every two years. As of June 30, 2017, PALRF and PCLRF contributed the balances of \$195,900 and \$756,300, respectively. As of June 30, 2016, PALRF and PCLRF contributed the balances of \$191,900 and \$615,200, respectively

**NOTE 11 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT AND PROPOSITION C DISCRETIONARY INCENTIVE GRANT**

The Proposition A Discretionary Incentive Grant amounting to \$1,313,389 and \$1,646,829 for the years ended June 30, 2017 and 2016 respectively, represent additional funds received from LACMTA to provide the Sub-Regional Paratransit projects and for participating Voluntary NTD data reporting programs.

The Proposition A Discretionary Incentive Grant was recorded under PALRF.

The Proposition C Discretionary Grants represent funds received from LACMTA toward grants servicing various multi-year traffic projects in Los Angeles County. The Proposition C Discretionary Grants was recorded under PCLRF, and amounted to \$12,102,340 and \$9,388,817 for the years ended June 30, 2017 and 2016, respectively.

**COUNTY OF LOS ANGELES**

**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 12 – OTHER GOVERNMENT GRANTS - PALRF**

Other government grants under PALRF represent grant funds received from other governmental agencies towards Proposition A projects. For the years ended June 30, 2017 and 2016, a total of \$4,490,404 and \$400,384, respectively.

**NOTE 13 – SALE OF CAPITAL ASSETS – PALRF**

During the year ended June 30, 2017, the County disposed of surplus transit vehicles and received \$500 in proceeds. The proceeds were recorded as revenue under PALRF.

**NOTE 14 – 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 continued through Proposition C allocations at the discretion of the County until June 30, 2016. If the project was not completed by June 30, 2016, any unexpended funds shall lapse and be returned to LACMTA.

Per agreement all interest is accrued and placed in the capital reserve amount for use exclusively for the El Pueblo Transit Hub Safety Project and any street improvement projects designated in the Account.

	<u>2017</u>	<u>2016</u>
Beginning capital reserve balance at July 1	\$ -	\$ 8,737,654
Add: Additional reserve during the year	-	34,613
Add: Interest income	-	12,129
Less: Expenditures during the year	-	(8,784,396)
Ending capital reserve balance at June 30	\$ <u>-</u>	\$ <u>-</u>

**COUNTY OF LOS ANGELES**

NOTES TO FINANCIAL STATEMENTS  
For the Fiscal Years Ended June 30, 2017 and 2016  
(Continued)

**NOTE 15 – TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND REVENUE ALLOCATION**

The revenue allocation for the years ended June 30, 2017 and 2016 consisted of the following:

	2017	2016
FY 2013-14 allocation	\$ -	\$ 168,076
FY 2014-15 allocation	-	1,497,998
FY 2015-16 allocation*	865,891	333,926
FY 2016-17 allocation	1,037,909	257,000
Total Payment requested	\$ <u>1,903,800</u>	\$ <u>2,257,000</u>

\*This balance represents the difference between the FY15-16 TDAA3F allocation of \$1,122,891 and the accrual from FY15-16 of \$257,000.

**NOTE 16 – TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUNDS RESERVED**

In accordance with TDA Article 3 (SB821) Guidelines, funds not 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, 2017, and 2016, the County has funds on reserve as follows:

	2017	2016
FY 2015-16 allocation	\$ -	\$ 1,122,891
FY 2016-17 allocation	488,279	-
Available reserve balance	\$ <u>488,279</u>	\$ <u>1,122,891</u>

**NOTE 17 – SUBSEQUENT EVENTS**

The County has evaluated events or transactions that occurred subsequent to June 30, 2017 through December 27, 2017, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no subsequent matters require disclosure or adjustment to the accompanying financial statements.



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**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

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, the financial statements 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 (TDAA3F) Fund, and Transportation Development Act Article 8 (TDAA8F) Fund of the County of Los Angeles, California (County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 27, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's local return funds, TDAA3F and TDAA8F 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 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 Transportation Development Act Article 8 Fund financial statements are free of 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 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 result 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  
December 27, 2017

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*COMPLIANCE SECTION*

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## Independent Auditor’s Report On Compliance

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 Compliance

We have audited the compliance of the County of Los Angeles, California (County) with the Proposition A and Proposition C Local Return Guidelines, Measure R Local Return Guidelines, Transportation Development Act Article 3 and 8, and the Los Angeles County Metropolitan Transportation Authority’s Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds (Guidelines) and Transportation Development Act Article 8 Funds (Guidelines) for the year ended June 30, 2017.

### Management’s Responsibility

Management is responsible for the County’s compliance with those guidelines.

### Auditor’s 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 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 referred to in the preceding paragraph. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a local return program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of County’s compliance with those requirements.

### Opinion on Each Local Return Program and Transportation Development Act Article 3 and Article 8

In our opinion, the County Los Angeles complied, in all material respects, with the compliance requirements referred to above that apply to Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Transportation Development Act Article 3 (TDAA3F) Fund, and Transportation Development Act Article 8 (TDAA8F) Fund for the year ended June 30, 2017.





## Report on Internal Control Over Compliance

Management of the County of Los Angeles is responsible for establishing and maintaining effective internal control over compliance with the Requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the Requirements that could have a direct and material effect on the Local Return programs, TDAA3F and TDAA8F to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Requirements, 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 under the Requirements on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Requirements 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 we consider to 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 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 requirement of the Guidelines. Accordingly, this report is not suitable for any other purpose.

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

Los Angeles, California  
December 27, 2017



**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2017

Compliance Requirement	In Compliance		Questioned Costs	If no, provide details and management response.
	Yes	No		
<b>A. Proposition A and Proposition C Local Return Funds</b>				
1. Timely use of funds.	X		None	
2. Expenditures were approved before being incurred.	X		None	
3. Funds were used on approved projects only and expenditures were supported and allowable per Guidelines.	X		None	
4. Expenditures did not exceed 25% of LACMTA's approved budget.	X		None	
5. Administrative expenses were within the 20% cap.	X		None	
6. All on-going and carryover projects were reported in Form B.	X		None	
7. Annual Project Summary Report (Form B) was submitted on time.	X		None	
8. Annual Expenditure Report (Form C) was submitted on time.	X		None	
9. Cash or cash equivalents were maintained.	X		None	
10. Accounting procedures, record keeping and documentation were adequate.	X		None	
11. Revenues received including allocations, project generated revenues, and interest income were properly credited to the PALRF and PCLRF accounts.	X		None	

**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2017  
(Continued)

Compliance Requirement	In Compliance		Questioned Costs	If no, provide details and management response.	
	Yes	No			
<b>B. Measure R Local Return Fund</b>					
1.	Timely use of funds.	X		None	
2.	Expenditures were approved before being incurred.	X		None	
3.	Funds were used on approved projects only and expenditures were supported and allowable per Guidelines.	X		None	
4.	Funds were not substituted for property tax.	X		None	
5.	Administrative expenses were within the 20% cap.	X		None	
6.	Expenditure Plan (Form One) was submitted on time.	X		None	
7.	Expenditure Report (Form Two) was submitted on time.	X		None	
8.	Cash or cash equivalents were maintained.	X		None	
9.	Accounting procedures, record keeping and documentation were adequate.	X		None	
10.	Revenues received including allocations, project generated revenues, and interest income were properly credited to the Measure R account.	X		None	
11.	Funds were not used to supplant existing local revenues being used for transportation purpose.	X		None	

**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
 Year Ended June 30, 2017  
 (Continued)

Compliance Requirement	In Compliance		Questioned Costs	If no, provide details and management response.
	Yes	No		
<b>C. Transportation Development Act Article 3 Fund</b>				
1. Timely use of funds.	X		None	
2. Expenditures were incurred for activities relating to pedestrian and bicycle facilities and amenities.	X		None	
<b>D. Transportation Development Act Article 8 Fund</b>				
1. Timely use of funds.	X		None	
2. Expenditures were incurred for activities relating to construction, maintenance and operations of streets and highways.	X		None	

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

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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
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### Independent Auditor’s Report

To the Honorable Members of the Board of Supervisors of the  
County of Los Angeles, Department of the Public Works and the  
Los Angeles County Metropolitan Transportation Authority

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, 2017. Management is responsible for the County’s compliance with those requirements. Our responsibility is to express an opinion on the County’s compliance based on our audit.

We conducted our audit in accordance with the MOU and attestation standards published by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County’s compliance with these 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. Our audit does not provide a legal determination on the County’s compliance with those requirements.

In our opinion, County of Los Angeles complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2017.

This report is intended solely for the information and use of County of Los Angeles and Los Angeles County Metropolitan Transportation Authority and is not intended to be and should not be used by anyone other than these specified parties.

Los Angeles, California  
December 27, 2017



**COUNTY OF LOS ANGELES  
HOLLYWOOD BOWL PARK AND RIDE REGIONAL TRANSIT PROJECT  
SUMMARY OF REPORTED AND AUDITED PROJECT EXPENDITURES  
SUPPLEMENTAL INFORMATION**

For the Fiscal Year Ended June 30, 2017

**TRANSIT FUND ALLOCATION**

On June 17, 2015, Los Angeles County Metropolitan Transportation (LACMTA) approved \$1,057,000 in transit fund allocations to the County of Los Angeles Department of Public Works (Grantee) to subsidize the Hollywood Bowl Shuttle Project (Project) for Fiscal Year Ending June 30, 2017.

**AGREEMENT**

On January 9, 2009, LACMTA and the Grantee entered into a Memorandum of Understanding (MOU) amending their 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 (B) amount approved by LACMTA; or 87% (A) 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 fiscal ending June 30, 2017 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)	\$ 1,313,389	\$ -	\$ 1,313,389
Percentage allowable per Agreement	<u>87%</u>	<u>-</u>	<u>87%</u>
87% of Total Project Cost (\$1,473,829 * 87%) (A)	\$ 1,142,648	\$ -	\$ 1,142,648
LACMTA Approved - Transit fund allocation (B)	\$ 1,057,000	\$ -	\$ 1,057,000
Lesser of			
A) 87% of Total Project Costs or			
B) LACMTA Approved Transit Fund Allocation	<u>\$ 1,057,000</u>	<u>\$ -</u>	<u>\$ 1,057,000</u>

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*SCHEDULE OF FINDINGS AND  
RECOMMENDATIONS*

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***COUNTY OF LOS ANGELES***

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

June 30, 2017

No findings were noted.



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***EXIT CONFERENCE***

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**COUNTY OF LOS ANGELES**

PROPOSITION A, PROPOSITION C, MEASURE R LOCAL RETURN FUNDS,  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND, AND  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND  
EXIT CONFERENCE

June 30, 2017

An exit conference was held on December 28, 2017 with the County of Los Angeles. Those in attendance were:

***Simpson & Simpson Representative:***

Wanda Molina, Audit Supervisor

***County's Representative:***

Gan BoonKheng Wong, Internal Audit Group

***Matters Discussed:***

Results of the audit disclosed no significant control deficiencies and non-compliance issues with LACMTA's Guidelines.

A copy of this report was forwarded to the following County representative(s) for their comments prior to the issuance of the final report:

Gan BoonKheng Wong, Internal Audit Group