

Independent Audit Says MTA Properly Spent More Than \$5.7 Billion in Sales Tax Revenues

By Ed Scannell

(November 9) An Independent audit has found appropriate the MTA's expenditures of more than \$5.7 billion in funds collected under two half-cent sales taxes.

The audit of Proposition A (1980) and Proposition C (1990) revenues and expenditures, conducted by Thompson, Cobb, Bazilio & Associates, was presented, Tuesday, to the Independent Citizens' Advisory and Oversight Committee.

The audit was performed to comply with the 1998 Proposition A, an initiative authored by LA County Supervisor and MTA Board Member Zev Yaroslavsky. The measure, which prohibits further spending of sales tax revenues for subway construction, also established the committee.

"The voters asked us to be accountable for the receipt and expenditures of Proposition A and Proposition C revenues," said Richard Brumbaugh, MTA's chief financial officer. "We are pleased with the audit's finding that the revenues from these two sales taxes were properly expended."

During Tuesday's meeting of the citizens' committee, auditing firm partner Ralph Bazilio noted that the audit examined "in great detail" 845 transactions, which he said was three times as large as the typical audit sample.

The audit firm noted that it was unable to audit the receipt and expenditures of sales tax monies prior to fiscal year 1992 as the result of the MTA's Board-approved records retention policy.

A public hearing on the audit tentatively has been scheduled in January, 2000. The audit of MTA's expenditure of Proposition A and Proposition C sales tax receipts during the current fiscal year will be conducted by Price Waterhouse Coopers.

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