



NEWS

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INDEPENDENT AUDIT FINDS APPROPRIATE MTA'S EXPENDITURES OF MORE THAN \$5.7 BILLION IN SALES TAX REVENUES

An independent audit has found appropriate MTA's expenditures of more than \$5.7 billion in funds collected from fiscal years 1992 to 1998 under two LA County half-cent sales taxes.

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

The audit was performed in compliance with a voter-approved measure (Proposition A, 1998) authored by LA County Supervisor and MTA Board Member Zev Yaroslavsky. The measure 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 D. 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 today's public meeting of the citizens' committee, firm partner Ralph Bazilio said 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.

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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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