

**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**

**FOR THE FISCAL YEARS ENDED  
JUNE 30, 2018 AND 2017**

**AND MEASURE M LOCAL RETURN FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**



**Metro<sup>®</sup>**



Simpson & Simpson, LLP  
Certified Public Accountants

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

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SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS

BRAINARD C. SIMPSON, CPA

MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320  
LOS ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

## 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) (collectively, the Funds), of the County of Los Angeles, California (the County) as of and for the years ended June 30, 2018 and 2017, and Measure M Local Return Fund (MMLRF) (the Fund) of the County of Los Angeles, California (the County) as of and for the year ended June 30, 2018, 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 an opinion on these financial statements based on our audits. We conducted our audits 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 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 PALRF, PCLRF, MRLRF, TDAA3F and TDAA8F of the County of Los Angeles California, as of June 30, 2018 and 2017, and MMLRF of the County of Los Angeles, California, as of June 30, 2018, and the respective changes in their financial position for the years 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 PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F of the County and do not purport to, and do not, present fairly the financial position of the County of Los Angeles, California, as of June 30, 2018 and 2017, and the changes in its financial position for the years then ended in conformity 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. 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 used to prepare the Funds' financial statements. Such 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 Funds' financial statements or to the Funds' 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' financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated December 24, 2018, 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.

A handwritten signature in cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 24, 2018

**COUNTY OF LOS ANGELES**  
**PROPOSITION A LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2018	2017
<b>ASSETS</b>		
Cash and investments	\$ 37,370,995	\$ 48,926,491
Accounts receivable (Note 9)	994,112	1,085,880
Interest receivable	214,432	238,853
Due from other funds (Note 10)	225,404	257,151
Advances to ISF funds (Note 12)	196,600	195,900
Total assets	\$ 39,001,543	\$ 50,704,275
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 3,601,518	\$ 2,971,004
Due to other funds (Note 10)	723,510	865,231
Total liabilities	4,325,028	3,836,235
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 11)	105,700	105,700
 <b>Fund Balance</b>		
Restricted	34,570,815	46,762,340
Total fund balance	34,570,815	46,762,340
Total liabilities, deferred inflows of resources, and fund balance	\$ 39,001,543	\$ 50,704,275

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

	2018	2017
<b>REVENUES</b>		
Proposition A	\$ 18,331,457	\$ 17,880,495
Proposition A Discretionary Incentive Grant (Note 13)	1,291,573	1,313,389
Other government grants (Note 14)	2,004,896	4,490,404
EZ Pass revenues	1,216	2,347
Service reimbursements (Note 1)	659,935	690,248
Rents and concessions (Note 1)	1,211	686
Interest income	665,749	514,679
Miscellaneous income	2,545	5,856
Sale of capital assets (Note 15)	32,118	500
Total revenues	22,990,700	24,898,604
<b>EXPENDITURES</b>		
Various projects	35,182,225	24,723,750
Total expenditures	35,182,225	24,723,750
 (Deficiency) excess of revenues (under) over expenditures	 (12,191,525)	 174,854
 Fund balance at beginning of year	 46,762,340	 46,587,486
 Fund balance at end of year	 \$ 34,570,815	 \$ 46,762,340

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



**COUNTY OF LOS ANGELES**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
110-002	Santa Clarita Valley Local Bus	\$ 1,600,000	\$ 1,733,616	\$ (133,616)	\$ 1,030,375
110-003	Palos Verdes Peninsula Shuttle	450,000	402,612	47,388	402,760
110-004	South Bay Commuter	40,000	-	40,000	-
110-015	Antelope Valley Commuter	600,000	425,089	174,911	411,787
110-016	SCV La Commuter	1,000,000	595,151	404,849	699,698
110-020	Boyle Heights/East Los Angeles DASH Shuttle	460,000	243,211	216,789	143,903
110-021	Unincorporated South Whittier Area Shuttle Service	1,300,000	1,074,368	225,632	800,000
110-023	Bassett/Avocado Heights Flex Route Shuttle Service	300,000	240,094	59,906	244,536
110-024	Marina del Rey Shuttle Pilot Program	100,000	88,038	11,962	48,853
110-109	Willowbrook Shuttle Service	1,500,000	771,254	728,746	755,126
110-110	Antelope Valley Bus Service	1,000,000	422,574	577,426	402,043
110-120	Rose Parade Shuttle Service	50,000	45,000	5,000	40,000
110-121	East Los Angeles Fixed Route Shuttle	1,600,000	1,609,168	(9,168)	1,482,744
110-18	Acton/Agua Dulce/Gorman Shuttle Program	150,000	122,555	27,445	82,576
110-26	East Valinda Shuttle	300,000	252,643	47,357	257,852
110-27	Lennox Shuttle	300,000	219,873	80,127	191,350
110-28	Athens Shuttle	300,000	237,589	62,411	211,583
110-29	Florence-Firestone/Walnut Park Shuttle	500,000	310,157	189,843	360,413
110-30	Baldwin Hills Parklands Shuttle Service	100,000	57,310	42,690	66,712
110-31	Los Angeles County - USC Medical Center Shuttle Service	250,000	222,595	27,405	196,630
110-32	Topanga Canyon Beach Shuttle Service	600,000	156,016	443,984	159,263
110-33	Hacienda Heights/Rowland Heights Shuttle Service	600,000	493,237	106,763	321,328
110-34	Long Beach Pilot Shuttle	160,000	100,909	59,091	-
120-011	Agoura Area Dar	90,000	77,398	12,602	72,746
120-012	Mid-San Gabriel Paratransit	350,000	265,615	84,385	71,404
120-013	Santa Clarita Valley General Public	60,000	26,742	33,258	13,848
120-14	Florence-Firestone/Walnut Park Youth Program	30,000	-	30,000	-
120-15	Pasadena-Altadena Pilot Shuttle	150,000	12,000	138,000	-
130-003	Children's Court Shuttle	370,000	313,525	56,475	224,008
130-014	Rancho Los Amigos	500,000	330,638	169,362	273,252
130-020	Elderly And Disabled Paratransit	4,449,000	3,316,310	1,132,690	2,451,191
130-1	Los Nietos Community Shuttle Service	150,000	97,586	52,414	66,574

(continued)

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)  
(Continued)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
130-27	Santa Clarita Valley Elderly and Disabled DAR	\$ 300,000	\$ 239,745	\$ 60,255	\$ 122,188
140-005	Hollywood Bowl P/R Shuttle	4,000,000	1,907,061	2,092,939	1,820,999
140-07	Summer Beach Bus Program	500,000	348,859	151,141	376,256
140-017	Special Event Transportation	2,000,000	1,623,954	376,046	1,600,127
140-024	John Anson Ford Amphitheater Shuttle	125,000	85,053	39,947	74,211
150-035	Installation Of Rapid Bus Shelters In Unincorporated Area Of L.A. County	1,500,000	-	1,500,000	137
150-44	Bus Stop Amenities and Improvement Program	5,000,000	1,730,481	3,269,519	1,625,458
200-34	El Sol Shuttle Service: Purchase 7 Buses	-	-	-	3,430,899
200-36	Avocado Heights/Bassett/West Valinda and East Valinda: Purchase 2 Buses	1,000,000	-	1,000,000	-
230-6	Park & Ride Lot Security	500,000	403,644	96,356	401,837
250-004	Bus Fare Media Purchase	60,000	6,752	53,248	1,333
250-067	Bus Pass Subsidy	1,500,000	995,237	504,763	473,716
270-007	Proposition A Project Planning	1,200,000	708,949	491,051	822,580
270-012	Los Angeles County Unincorporated Area Unmet Transit Needs Studies	1,500,000	-	1,500,000	-
270-15	North County Transportation Coalition JPA	100,000	100,000	-	-
280-009	Los Angeles County Transit Web Site	100,000	2,298	97,702	15,005
280-10	Transit Services Smartphone Application	100,000	26,629	73,371	18,610
290-126	Park-And-Ride Lot Maintenance/Security	500,000	300,470	199,530	262,867
300-018	CSULA Metrolink Operations	100,000	75,081	24,919	74,655
310-19	Vermont & Manchester Transit Plaza	18,000,000	11,900,000	6,100,000	-
360-001	Metro Blue Line Liability Sharing	200,000	41,390	158,610	141,627
360-04	Metro Rail Promotion	25,000	-	25,000	-
480-004	Board Of Supervisors Staff Support	1,000,000	423,749	576,251	841,737
480-05	Rail-Volution Conference	50,000	-	50,000	-
480-07	APTA Conference	5,000	-	5,000	-
Total expenditures		\$ 58,774,000	\$ 35,182,225	\$ 23,591,775	\$ 23,586,797

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**PROPOSITION A LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2018

Date Acquired	Description	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
2002	Bus Shuttle El Dorado	\$ 142,985	\$ -	\$ -	\$ 142,985
2004	Bus El Dorado EZ Rider	1,863,379	-	1,719,427	143,952
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	-	474,711	118,678
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
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-110)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-107)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-113)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-106)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-101)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-103)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-108)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-111)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-109)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-112)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-102)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-104)	-	50,579	-	50,579
2018	2016 MOBILITY VENTURE MV-1 COMMUNITY DIAL-A-RIDE (L-105)	-	50,579	-	50,579
Total \$		<u>11,844,321</u>	<u>\$ 657,527</u>	<u>\$ 2,194,138</u>	<u>\$ 10,307,710</u>

See accompanying independent auditor's report.

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

	2018	2017
<b>ASSETS</b>		
Cash and investments	\$ 47,248,254	\$ 46,566,272
Accounts receivable (Note 9)	11,267,329	11,393,330
Interest receivable	255,798	252,650
Other receivable	-	2,356
Due from other funds (Note 10)	644,281	407,459
Advances to ISF funds (Note 12)	768,900	756,300
Total assets	\$ 60,184,562	\$ 59,378,367
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,167,903	\$ 2,351,630
Due to other funds (Note 10)	1,953,140	2,407,932
Other payables	494	494
Total liabilities	3,121,537	4,760,056
<b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 11)	4,157,072	4,502,646
<b>Fund Balance</b>		
Restricted	52,905,953	50,115,665
Total fund balance	52,905,953	50,115,665
Total liabilities, Deferred inflows of Resources, and fund balance	\$ 60,184,562	\$ 59,378,367

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

**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**For the Fiscal Years Ended June 30**

	2018	2017
<b>REVENUES</b>		
Proposition C	\$ 16,264,055	\$ 15,932,715
Proposition C Discretionary Incentive Grants (Note 13)	11,574,913	12,102,340
Services reimbursements (Note 1)	3,616,429	1,928,554
Interest income	719,324	555,605
Other revenues	40	4,402
Total revenues	32,174,761	30,523,616
 <b>EXPENDITURES</b>		
Various projects	29,384,473	36,999,501
Total expenditures	29,384,473	36,999,501
 Excess (deficiency) of revenues over (under) expenditures	2,790,288	(6,475,885)
 Fund balance at beginning of year	50,115,665	56,591,550
 Fund balance at end of year	\$ 52,905,953	\$ 50,115,665

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

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

For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
270-13	County Contribution to Gateway Cities COG I- 710 Major Corridor Study	\$ 1,250,000	\$ 313,184	\$ 936,816	\$ 1,204
270-14	Valinda/Basset Transit Needs Study	100,000	82,119	17,881	-
360-12	Metro Green Line Vermont Station Wayfinding Signage	495,000	129,453	365,547	48,348
360-13	Hollywood/Highland Red Line Station Wayfinding Signage	100,000	-	100,000	6,971
360-14	Slauson, Florence and Firestone Blue Line Station Wayfinding Signage Improvements	70,000	3,232	66,768	-
400-002	Santa Clarita ITS	591,000	-	591,000	115
400-008	Gateway Cities Forum	4,738,000	65,157	4,672,843	1,360,164
400-010	Los Angeles County Traffic Management Center	250,000	19,463	230,537	46,599
400-021	South Bay Traffic Signal Forum	3,400,000	647,087	2,752,913	1,704,572
400-05	Information Exchange Network	1,750,000	311,700	1,438,300	362,061
400-30	Traffic Management Center Operations	985,000	405,567	579,433	378,198
400-32	Slauson Ave Corridor Improvements - Signals Project	2,800,000	1,742,482	1,057,518	283,459
400-33	South Bay Forum Traffic Signal Corridors Project - 2007 Call (F1311)	3,600,000	2,009,029	1,590,971	3,168,285
400-34	Gateway Cities Forum Traffic Signal Corridors Project - 2007 Call (F1312)	5,500,000	4,024,344	1,475,656	1,864,508
400-35	San Gabriel Valley Forum Traffic Signal Corridors Project - 2007 Call (F1321)	6,857,000	2,741,093	4,115,907	6,737,110
400-36	I-5 Corridor ITS Improvements	100,000	-	100,000	36,168
400-37	Information Exchange Network XML Command Data Interface	350,000	-	350,000	53,800
400-38	Countywide Signal Priority, Phase II	696,300	6,359	689,941	201,770
400-39	El Segundo Area ITS (Operation and Maintenance)	620,000	142,366	477,634	280,242
400-40	San Gabriel Valley Forum Traffic Signal Corridors Project - 2009 CFP	13,650,700	587,438	13,063,262	461,880
400-41	Gateway Cities Forum Traffic Signal Corridors Project, Phase VI - 2009 Call (F3309)	3,625,000	468,160	3,156,840	723,052
400-42	South Bay Forum Traffic Signal Corridors Project - 2009 Call (F3310)	2,625,000	346,203	2,278,797	713,701
400-43	Information Exchange Network (EIN) Phase - 2009 Call (F3311)	3,487,000	22,711	3,464,289	33,542
400-44	Ramona Bl/Badillo St/Covina Bl TSSP/BSP - 2011 Call (F5315)	100,000	-	100,000	-
400-45	South Bay Arterial Performance	504,000	45,755	458,245	46,848
400-46	Whittier Blvd Transit Signal Priority Project - Metro Express Lanes	98,400	9,278	89,122	-
400-47	Performance Measurement System	600,000	10,055	589,945	-
400-48	Project Coordination for ITS projects	500,000	1,495	498,505	-

(continued)

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)  
(Continued)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
430-16	North County Bikeways	\$ 10,000	\$ -	\$ 10,000	\$ -
430-19	Eastside Ligh Rail/Bike Interface	3,000,000	1,905,392	1,094,608	303,431
430-20	Emerald Necklace Bike Trail	100,000	-	100,000	39,874
430-201	170th Street East Bike Lane	10,000	-	10,000	-
430-24	El Pueblo Transit Hub Safety Improvements	4,100,000	991,923	3,108,077	-
430-25	Willowbrook Bikeway Improvement	1,750,000	127,474	1,622,526	97,694
430-28	East Avenue O Bike Lane	10,000	-	10,000	-
430-30	90th Street East/87th Street East Bike Lane	10,000	-	10,000	-
430-31	Quarry Clasp/Peck Park Biker Trail	2,600,000	18,095	2,581,905	53,736
430-34	Los Angeles River Regional Bike Path	13,500,000	260,187	13,239,813	314,788
430-35	Altadena Dr. and Washington Bl Bikeway	1,960,000	360,545	1,599,455	405,238
430-36	South San Gabriel Bikeway Access	10,000	-	10,000	10,619
430-37	Florence-Firestone Bikeway Access	10,000	161	9,839	688
430-38	West Rancho Dominguez Bikeway Access	1,640,000	102,339	1,537,661	40,021
430-39	Charter Oak Bikeway Access Improvements	2,000,000	1,437,371	562,629	109,776
430-40	Bike Path Pavement Rehabilitation - Admiralty Way	750,000	67,818	682,182	-
430-41	Dockweiler RV Park Bicycle Path Bypass	250,000	-	250,000	-
430-42	Florence Metro Blue Line Station Bikeway	1,625,000	1,422,406	202,594	202,474
430-43	Vermont Avenue-Manchester Av/El Segundo	1,100,000	139,278	960,722	174,395
430-44	Susana Rd, et al.	1,000,000	13,224	986,776	4,353,973
430-45	Marvin Braude Bike Trail Repair	50,000	-	50,000	255,854
430-46	Los Angeles River Valley Bikeway and	200,000	-	200,000	1,500,000
430-47	San Gabriel River Bike Trail under I-10 Freeway	300,000	21,494	278,506	62,901
430-48	Marvin Braud Bike Path - Venice Beach	200,000	122,546	77,454	-
430-49	Vincent Community Bikeways	4,700,000	145,457	4,554,543	15,563
430-50	West Carson Community Bikeways	700,000	73,786	626,214	30,508
430-51	Hawthorne/Lennox Green Line Station	3,100,000	47,368	3,052,632	42,834
430-52	Aviation/LAX Green Line Station Community Linkages	3,000,000	46,845	2,953,155	15,998
430-53	Firestone Blue Line Station Intersection and Bikeway Improvements Project	1,900,000	19,726	1,880,274	2,344
430-54	Eaton Wash Bike Path - Phase I	2,000,000	320,002	1,679,998	1,143
430-55	East Pasadena and East San Gabriel Bikeway Access Improvements	2,300,000	12,579	2,287,421	-
430-56	Budlong Av - Manchester Av/El Segundo Bl - SR2S	1,800,000	1,685,177	114,823	-
430-57	Mureau Road Bikeway and Roadway Improvements	1,000,000	-	1,000,000	-
430-58	Lake Av-Loma Alta Dr/Altadena Dr - Healthy Communities Class III Bike Route	100,000	20,381	79,619	-
430-59	Dominguez Channel Greenway Northern Gap Closure - Bike Path	300,000	70,759	229,241	-

(continued)

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)  
(Continued)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
440-059	Centinela Ave, Et. Al.	\$ 10,000	\$ -	\$ 10,000	\$ -
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.	100,000	22,460	77,540	275,529
440-135	Foothill Bl. - Rosemead Bl/Michillinda Av	1,000,000	228,768	771,232	338,732
440-143	Norwalk Bl, Et Al.	3,335,000	122,161	3,212,839	109,113
440-151	108th St-Denker Av/Normandie Av, Et Al.	100,000	13,889	86,111	134,589
440-163	Firestone Boulevard-Central Ave/Graham Ave, Et Al.	500,000	41,247	458,753	2,878,301
440-188	Heller Circle - Et Al.	600,000	74,795	525,205	300,088
440-191	Wilshire Bl, Et Al. (RDC0015533)	3,800,000	505,773	3,294,227	483,344
440-192	Washington Bl, Et. Al. (formerly Valley View Ave Et. Al)	5,500,000	39,473	5,460,527	31,172
440-193	Hacienda Boulevard at Gale Avenue	10,000	-	10,000	-
440-195	Marina Del Rey Street Improvements - Marina Del Ray (RDC0015781)	100,000	(6,108)	106,108	-
440-196	Via Marina St - Panay Way to 1727' S/O Bora Bora Way	500,000	(7,154)	507,154	62,933
440-197	Huntington Dr - San Gabriel Bl/Michilinda Ave	3,000,000	251,934	2,748,066	586,991
440-199	New York Dr - Lake Av to 120 ft W/O Altadena Dr	800,000	686,142	113,858	62,424
440-200	Fiji Way Roadway Improvements (RDC0015796)	100,000	-	100,000	-
440-201	East Los Angeles Community Roadway Improvement	1,000,000	723,394	276,606	589,990
440-205	Pennsylvania Av - Markridge Rd/Montrose Ave	700,000	22,753	677,247	6,650
440-206	Leffingwell Rd - Telegraph Rd/La Mirada Bl	1,165,000	4,628	1,160,372	7,518
440-207	Imperial Hwy and Telegraph Rd Roadway Improvements - La Mirada	50,000	-	50,000	-
440-208	Colima Road-City of Whittier Boundary to Fullerton Road	13,000,000	489,512	12,510,488	1,151,272
440-209	Overhill Drive-La Brea Avenue to Slauson Avenue	2,500,000	159,211	2,340,789	403,722
440-210	Los Nietos Safe Routes to School - Phase I	1,550,000	273,136	1,276,864	78,923
440-212	Los Nietos Safe Routes to School - Phase II	1,600,000	89,204	1,510,796	-
440-221	Vermont Green Line Intersection Improvements Project	2,100,000	183,949	1,916,051	-
460-148	North County/Antelope Valley Traffic Forum Improvement Project	2,000,000	164,485	1,835,515	150,661
470-002	Countywide Pavement Management System Program	1,250,000	792,013	457,987	960,588
470-01	Pavement Management Field Evaluation Equipment	50,000	-	50,000	-
480-001	Traffic Signal Synchronization Program Training	150,000	-	150,000	4,687
480-014	Proposition C Project Planning & Coordination	1,480,000	942,745	537,255	1,835,825
480-015	Board of Supervisors Staff Support	50,000	-	50,000	-
Total expenditures		\$ 164,827,400	\$ 29,384,473	\$ 135,442,927	\$ 36,999,501

See accompanying independent auditor's report.



**COUNTY OF LOS ANGELES**  
**PROPOSITION C LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
June 30, 2018

Date Acquired	Description	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
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
2018	CATALYST CISCO ONE 3850 48 PORT	-	13,620	-	13,620
2018	CATALYST CISCO ONE 3850 48 PORT	-	13,620	-	13,620
2018	ROUTER CISCO ONE ISR4451-X	-	20,179	-	20,179
Total		\$ <u>658,962</u>	\$ <u>47,419</u>	\$ <u>-</u>	\$ <u>706,381</u>

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**MEASURE R LOCAL RETURN FUND**  
**BALANCE SHEETS**  
June 30

	2018	2017
<b>ASSETS</b>		
Cash and investments	\$ 39,641,603	\$ 34,079,099
Interest receivable	209,339	173,013
Accounts receivable (Note 9)	673,448	1,372,417
Due from other funds (Note 10)	62,121	3,738
Advances to ISF funds (Note 12)	151,300	-
Total assets	\$ 40,737,811	\$ 35,628,267
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 42,572	\$ 455,111
Due to other funds (Note 10)	330,498	485,696
Total liabilities	373,070	940,807
 <b>Deferred Inflows of Resources</b>		
Unavailable revenue (Note 11)	923	923
 <b>Fund Balance</b>		
Restricted	40,363,818	34,686,537
Total fund balance	40,363,818	34,686,537
Total liabilities, deferred inflows of resources, and fund balance	\$ 40,737,811	\$ 35,628,267

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

	2018	2017
<b>REVENUES</b>		
Measure R	\$ 12,191,138	\$ 11,943,552
Other government grants (Note 14)	1,602,284	1,795,582
Interest income	558,124	361,606
Other revenues	9	-
Total revenues	14,351,555	14,100,740
 <b>EXPENDITURES</b>		
Various projects	8,674,274	9,758,609
Total expenditures	8,674,274	9,758,609
 Excess of revenues over expenditures	5,677,281	4,342,131
 Fund balance at beginning of year	34,686,537	30,344,406
 Fund balance at end of year	\$ 40,363,818	\$ 34,686,537

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

**COUNTY OF LOS ANGELES**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.05	Firestone Blvd - Central Ave to Graham, Et. Al.	\$ 200,000	20,844	\$ 179,156	\$ 235,645
1.05	Angeles Forest Hwy Et. Al., Phase 2	100,000	70,647	29,353	(131)
1.05	Ballentine Place, Et. Al.	5,000	-	5,000	-
1.05	Tranbarger St. Et. Al.	10,000	3,169	6,831	-
1.05	Garro St, Et. Al. (formerly Santa Bianca Rd, Et. Al.)	100,000	-	100,000	-
1.05	Compton Bl, Et Al - East Rancho Dominguez	50,000	-	50,000	-
1.05	Lennox Community Improvements, Phase 2 (formerly West 104th)	100,000	-	100,000	-
1.05	McDonnell Ave, Et. Al.	3,000,000	2,197,247	802,753	2,167,662
1.05	Templin Hwy at MM 0.30	600,000	-	600,000	-
1.05	Pathfinder Rd - Fullerton Rd/1,300 E/o Fullerton Rd	50,000	-	50,000	112,911
1.05	Whiteside St, Et. Al.	100,000	-	100,000	-
1.05	Wilmington Ave - 200'S/o Victoria St to Del Amo Blvd	100,000	4,542	95,458	-
1.05	Hazard Ave, Et. Al.	10,000	-	10,000	-
1.05	Allen Ave, Et. Al.	2,000,000	9,854	1,990,146	-
1.05	Avenue G over SR 14 Fwy	10,000	-	10,000	-
1.05	Columbia Way/ Avenue M-60th St W/ SR14 Fwy	-	-	-	(147)
1.05	Vasquez Canyon Rd 1.04 mile e/o Bouquet Canyon Rd - Ph II	250,000	211,740	38,260	-
1.05	Avenue N over SR 14 Fwy	30,000	-	30,000	-
1.05	Old Topanga Cyn Rd-2,723 S/O Valdez Rd/Topanga Cyn Bl	600,000	202,074	397,926	-
1.10	Fullerton Rd Corridor Improvement (fomerly Fullerton Rd - Valley Blvd)	1,500,000	6,006	1,493,994	5,630
1.10	Metro 1-710 Corridor Project	50,000	-	50,000	5,844
1.20	Cesar E. Chavez/Lorena/Indiana - Intersection Improvements	1,000,000	-	1,000,000	350
1.20	Slauson Blue Line Station Intersection Improvements	100,000	71,436	28,564	-
1.25	San Bernardino Rd - Nora Av/Yaleton Ave (Sidewalk) (formerly San Bernardino Rd - Nora Av/Foxdale Ave (sidewalk))	100,000	5,248	94,752	167,795
1.30	Workman Mill Road from Oakman Drive to Valley Boulevard	50,000	-	50,000	-
1.30	City Terrace Greening Project	-	-	-	23,413
1.30	Willowbrook Streetscape Improvement Project	3,000,000	2,075,743	924,257	1,995,324
1.30	Mayflower Avenue South of Lynd Avenue	-	-	-	1,465
1.30	Slauson Ave Revitalization (formerly Slauson Ave from La Brea)	1,000,000	157,916	842,084	2,753,238
1.30	Mureau Road at Mountain View Dr Landscaped Median Retrofit	1,500,000	1,260,394	239,606	-

(continued)

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018  
(With Comparative Actual Amount for the Fiscal Year Ended June 30, 2017)  
(Continued)

Project Code	Project Name	2018			2017 Actual
		Metro Budget	Actual	Variance Favorable (Unfavorable)	
1.30	Parklets East Los Angeles	\$ 100,000	\$ 5,432	\$ 94,568	\$ -
1.30	Parklets East Los Angeles (General Liability Insurance)	50,000	24,768	25,232	29,928
1.30	Main St. Avalon Bl and Rosecrans Ave Landscape Improvements	1,000,000	735,761	264,239	821,924
1.30	Willowbrook Green Alley Project	300,000	111,754	188,246	1,141,070
1.30	Amar Rd - Vineland Av/Unruh Av	150,000	-	150,000	-
1.30	Workman Mill Rd Landscaping	25,000	-	25,000	-
1.90	Other Street Improvements including ADA throughout the County (Antelope Valley)	100,000	131,114	(31,114)	-
1.90	Other Street Improvements including ADA throughout the County (LA Basin)	100,000	-	100,000	8,050
1.90	Admiralty Way Street Improvements (formerly Admiralty Way at Pa)	50,000	-	50,000	-
1.90	Magic Johnson Park Impovement (ABO) (CDC)	100,000	28,599	71,401	-
2.01	30th St at Rancho Vista Bl (Avenue P)	100,000	-	100,000	-
3.05	Marvin Braude Beach Trail Gap Closure	500,000	150,395	349,605	-
3.05	Fiji Way Admiralty Way to Ballona Creek Bike Trail	50,000	-	50,000	-
3.05	San Jose Creek Bike Trail, Phase 2a	100,000	-	100,000	-
3.05	Calvary Cemetery Pedestrian Path	5,000,000	63,963	4,936,037	92,846
3.05	Atwater Landing Project	250,000	-	250,000	-
3.05	Rosemead Boulevard Interim Complete Streets	500,000	437,316	62,684	36,269
3.05	Puente Creek Bikeway	500,000	166,946	333,054	-
3.05	Temple Ave Complete Street Improvements	500,000	105,453	394,547	-
3.05	Los Nietos Safe Routes to School-Phase II	25,000	-	25,000	-
3.10	Metro Station Linkages Signage Desgin	100,000	-	100,000	734
3.20	103rd Street Improvement (Watts Streetscape Enhancements)	100,000	-	100,000	-
3.20	Vermont Avenue Streetscape Improvements	300,000	130,055	169,945	103,402
3.20	East Los Angeles Landscape Improvements	50,000	2,889	47,111	-
4.05	Expansion of Service in North County	50,000	-	50,000	-
7.10	Arryo Verdugo Communities Joint Powers Authority (AVCJPA)	10,000	3,225	6,775	-
7.10	East San Gabriel Valley Active Transportation Plan	500,000	640	499,360	-
8.10	Project Administration	500,000	279,104	220,896	55,387
	Total expenditures	\$ 26,725,000	\$ 8,674,274	\$ 18,050,726	\$ 9,758,609

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**MEASURE R LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
 June 30, 2018

Date Acquired	Description	Balance 7/1/2017	Additions	Deletions	Balance 6/30/2018
	None	\$ -	\$ -	\$ -	\$ -
	Total	\$ -	\$ -	\$ -	\$ -

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**MEASURE M LOCAL RETURN FUND**  
**BALANCE SHEET**  
June 30

	2018
<b>ASSETS</b>	
Cash and investments	\$ 11,053,201
Interest receivable	40,681
Due from other funds (Note 10)	1,086
Total assets	\$ 11,094,968
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 1,984
Due to other funds (Note 10)	3,148
Total liabilities	5,132
 <b>Fund Balance</b>	
Restricted	11,089,836
Total fund balance	11,089,836
Total liabilities and fund balance	\$ 11,094,968

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

**COUNTY OF LOS ANGELES**  
**MEASURE M LOCAL RETURN FUND**  
**STATEMENTS OF REVENUES, EXPENDITURES,**  
**For the Fiscal Years Ended June 30**

	2018
<b>REVENUES</b>	
Measure M	\$ 11,047,961
Interest income	63,792
Total revenues	11,111,753
 <b>EXPENDITURES</b>	
Various projects	21,917
Total expenditures	21,917
 Excess of revenues over expenditures	11,089,836
 Fund balance at beginning of year	-
 Fund balance at end of year	\$ 11,089,836

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



**COUNTY OF LOS ANGELES**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES**  
**ACTUAL AND METRO APPROVED PROJECT BUDGET**  
For the Fiscal Year Ended June 30, 2018

Project Code	Project Name	2018		Variance Favorable (Unfavorable)
		Metro Budget	Actual	
1.90	Harrison Elementary School Soundwall	\$ 200,000	\$ 19,629	\$ 180,371
3.05	Park to Playa Trail - Stoneview Nature Center to Hahn Park Segment project (ABO) - Pedestrian Bridge, Trails, Landscaping	2,000,000	-	2,000,000
8.10	Measure M LR Administration	20,000	2,288	17,712
Total expenditures		\$ <u>2,220,000</u>	\$ <u>21,917</u>	\$ <u>2,198,083</u>

See accompanying independent auditor's report.

**COUNTY OF LOS ANGELES**  
**MEASURE M LOCAL RETURN FUND**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CAPITAL ASSETS**  
 June 30, 2018

<u>Date Acquired</u>	<u>Description</u>	<u>Balance 7/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</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

	2018	2017
<b>ASSETS</b>		
Cash and investments	\$ 992,943	\$ 986,191
Interest receivable	5,715	4,670
Due from other funds (Note 10)	23,328	694
Total assets	\$ 1,021,986	\$ 991,555
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 5,596	\$ 251
Due to other funds (Note 10)	80,113	64,579
Total liabilities	85,709	64,830
 <b>Fund Balance</b>		
Restricted	936,277	926,725
Total fund balance	936,277	926,725
Total liabilities and fund balance	\$ 1,021,986	\$ 991,555

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,**  
**For the Fiscal Years Ended June 30**

	2018	2017
<b>REVENUES</b>		
TDA 3 (Note 16)	\$ 1,147,893	\$ 1,903,800
Interest income	15,758	8,469
Other revenue	-	1,000
Total revenues	1,163,651	1,913,269
<b>EXPENDITURES</b>		
Bikeway Funds	1,154,099	1,209,901
Total expenditures	1,154,099	1,209,901
Excess of revenues over expenditures	9,552	703,368
Fund balance at beginning of year	926,725	223,357
Fund balance at end of year	\$ 936,277	\$ 926,725

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

**COUNTY OF LOS ANGELES**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND**  
**SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT**  
For the Fiscal Year Ended June 30, 2018

<u>Project Description</u>	<u>Program Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended Allocations</u>	<u>Project Status</u>
Bikeway Project Development - 1st District	2018	\$ 2,294	\$ 2,294	\$ -	On-going
Bikeway Project Development - 2nd District	2018	344	344	-	On-going
Bikeway Project Development - 3rd District	2018	1,780	1,780	-	On-going
Bikeway Project Development - 4th District	2018	4,350	4,350	-	On-going
Bikeway Project Development - 5th District	2018	7,185	7,185	-	On-going
O & M of Bike Paths (Sweeping)	2018	550,071	550,071	-	On-going
O & M of Bike Paths (Signs)	2018	2,917	2,917	-	On-going
O & M of Bike Paths (Striping)	2018	13,424	13,424	-	On-going
Program Management & Coordination	2018	405,283	411,489	(6,206)	On-going
Bike Path Repairs	2018	155,454	155,454	-	On-going
Bike Paths Rehabilitation	2018	4,791	4,791	-	On-going
	Total	<u>\$ 1,147,893</u>	<u>\$ 1,154,099</u>	<u>\$ (6,206)</u>	
Unexpended interest accumulated to date				15,758	
Fund balance at beginning of year				<u>926,725</u>	
Fund balance at end of year				<u>* \$ 936,277</u>	

\* On December 19, 2018, the County received a waiver from Metro to carry forward the fund balance until June 30, 2019.

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**

	2018	2017
<b>ASSETS</b>		
Interest receivable	\$ -	\$ -
Total assets	\$ -	\$ -
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Total liabilities	-	-
 <b>Fund Balance</b>		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ -	\$ -

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,**  
**For the Fiscal Years Ended June 30**

	2018	2017
<b>REVENUES</b>		
TDA 8 (Note 16)	\$ 4,207,471	\$ 4,280,545
Interest income	10,527	6,980
Gas tax fund	610,881	-
Total revenues	4,828,879	4,287,525
 <b>EXPENDITURES</b>		
Various projects	4,828,879	4,287,525
Total expenditures	4,828,879	4,287,525
 Excess of revenues over expenditures	-	-
 Fund balances at beginning of year	-	-
 Fund balances at end of year	\$ -	\$ -

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

**COUNTY OF LOS ANGELES**  
**TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND**  
**SCHEDULE OF TRANSPORTATION DEVELOPMENT ACT**  
For the Fiscal Year Ended June 30, 2018

<u>Project Description</u>	<u>Program</u> <u>Year</u>	<u>Allocations</u>	<u>Expenditures</u>	<u>Unexpended</u> <u>Allocations</u>	<u>Project</u> <u>Status</u>
<b>Local allocations</b>					
Elizabeth Lake Rd - 2,453 W/Munz Ranch Rd/2,095 E/Bouquet Cyn	2018	\$ 200,000	\$ 118,899	\$ 81,101	On-going
Bouquet Cyn Rd and San Franisquito Cyn Rd Improvements (Local Match)	2018	150,000	-	150,000	On-going
Quartz Hill Elem Sch - Traffic Imprvmts (Non-Participating)	2018	10,000	9,539	461	On-going
Lake Hughes Rd - Elizabeth Rd to MM 17.2 (Guardrail) (Local Match)	2018	10,000	-	10,000	On-going
North Santa Clarita - Davenport Rd - Sierra Hwy to Agua Dulce Cyn Rd	2018	300,000	617,464	(317,464)	On-going
Stevenson Ranch Community - Hemingway Ave, Et. Al.	2018	450,000	552,485	(102,485)	On-going
East Santa Clarita - Placerita Cyn Rd - 14 Fwy to City Line	2018	300,000	480,581	(180,581)	On-going
50th St East - Install Raised Pavement Markers	2018	20,000	-	20,000	On-going
Auto Center Dr at 10th St W - Install TS (ABO) (PLM)	2018	15,000	-	15,000	On-going
Glendora Ridge Rd - 500 W/oMM 6.2 (Install Metal Beam Guardrail)	2018	15,000	-	15,000	On-going
Avenue P at 15th St E TS - Plan & Permit (ABO) (PLM)	2018	10,000	-	10,000	On-going
The Old Rd at Rye Cn Rd - Signing and Striping	2018	20,000	-	20,000	On-going
Other Roadway Improvement Projects	2018	500,000	497	499,503	On-going
Other Traffic Signal Improvement Projects	2018	500,000	305	499,695	On-going
Road Maintenance Activities	2018	1,707,471	3,049,109	(1,341,638)	On-going
	Total	<u>\$ 4,207,471</u>	<u>\$ 4,828,879</u>	<u>(621,408)</u>	
Unexpended interest accumulated to date				10,527	
Other income				610,881	
Fund balance at beginning of year				-	
Fund balance at end of year				<u>\$ -</u>	

See accompanying independent auditor's report.



**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017

**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), Measure M Local Return Fund (MMLRF), 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.

MMLRF is derived from 17% 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.

Transportation Development Act Article 3 Fund (TDAA3F) and Transportation Development Act Article 8 Fund (TDAA8F) are Special Revenue Funds that account for the County’s share of the Transportation Development Act Article 3 and 8 allocations which are legally restricted for specific purposes.

*Basis of Accounting and Measurement Focus*

PALRF, PCLRF, MRLRF, MMLRF, 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 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. Statement of revenue, expenditures and changes in fund balances for Special Revenue Funds generally present increase (revenue 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, 2018 and 2017  
(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fair Value Measurement*

In accordance with Governmental Accounting Standard Board (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 investment at fair value and recognizes unrealized gain (loss) on investments.

Refer to County's 2018 Comprehensive Annual Financial Report for detailed disclosures regarding the County's investments policy and fair value measurement.

*Fund Balance Reporting*

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 resources reported in governmental funds.

The PALRF, PCLRF, MRLRF, MMLRF TDAA3F and TDAA8F report the following fund balance classification as of June 30, 2018:

- Restricted– Amounts that are constrained for specific purpose, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation. The uses of the funds' remaining fund balances are restricted for projects approved by Los Angeles County Metropolitan Transportation Authority (Metro).

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.

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Deferred Outflows and Inflows of Resources (continued)*

Deferred inflows of resources reported by the County represent unavailable resources that are not available for spending as of June 30, 2018 and 2017.

*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, 2018 and June 30, 2017, the County received \$659,935 and \$690,248, respectively, for Proposition A and \$3,616,429 and \$1,928,554, 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, 2018 and June 30, 2017, the County collected \$1,211 and \$686, respectively.

**NOTE 2 – ANNUAL FINANCIAL STATEMENTS**

The financial statements reflect only the financial position and results of operations of the PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F and their compliance with the Proposition A and Proposition C Local Return Program Guidelines, Measure R Local Return Program Guidelines, Measure M Local Return Program Guidelines, the Los Angeles County Metropolitan Transportation Authority Funding and Allocation Guidelines for Transportation Development Act (TDA) Article 3 Bicycle and Pedestrian Funds, and the Los Angeles County Metropolitan Transportation Authority Guidelines to the Administration of TDA Article 8.

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**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. See accompanying Compliance Matrix.

**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. See accompanying Compliance Matrix.

**NOTE 5 – MEASURE M LOCAL RETURN COMPLIANCE REQUIREMENTS**

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance, known as Measure M. In accordance with Measure M Local Return Program Guidelines, funds received pursuant to these guidelines may only be used for Measure M Local Return approved programs. The first revenue allocation was received in the current period. See accompanying Compliance Matrix.

**NOTE 6 – TRANSPORTATION DEVELOPMENT ACT FUNDS 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. See accompanying Compliance Matrix.

**NOTE 7 – TRANSPORTATION DEVELOPMENT ACT FUNDS ARTICLE 8 COMPLIANCE REQUIREMENTS**

In accordance with Public Utilities Code Section 99400, funds received pursuant to this Code's section may only be used for activities relating to transit, paratransit, and local streets and roads, including facilities for the exclusive use of pedestrians and bicycles to fulfill unmet transit needs in areas outside the service area of Metro operations. See accompanying Compliance Matrix.

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 8 – CASH AND INVESTMENTS**

The PALRF, PCLRF, MRLRF, MMLRF, TDAA3F and TDAA8F’s cash and investment balances were pooled with various other County funds for deposit and investment purposes. The share of each fund in the pooled cash and investments 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.

**NOTE 9 – ACCOUNTS RECEIVABLES**

The PALRF, PCLRF, MRLRF, and TDAA3F accounts receivable balances represent monies to be paid to the County as of June 30, 2018 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>2018</b>	<b>2017</b>
<b><u>PARLF</u></b>		
Los Angeles County Metropolitan Transportation Authority	\$ 761,515	\$ 363,302
Department of Transportation	232,597	722,578
Total	\$ <u>994,112</u>	\$ <u>1,085,880</u>

<u>Agency</u>	<b>2018</b>	<b>2017</b>
<b><u>PCLRF</u></b>		
Los Angeles County Metropolitan Transportation Authority	\$ 8,505,609	\$ 6,596,735
Department of Transportation	2,761,720	4,796,595
Total	\$ <u>11,267,329</u>	\$ <u>11,393,330</u>

<u>Agency</u>	<b>2018</b>	<b>2017</b>
<b><u>MRLRF</u></b>		
Los Angeles County Metropolitan Transportation Authority	\$ 923	\$ 923
Department of Transportation	419,401	1,239,579
Community Development Commission	-	29,928
Transportation Enhancement Act (TEA)	253,124	101,987
Total	\$ <u>673,448</u>	\$ <u>1,372,417</u>

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 10 – 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, 2018 comprised of the following amounts:

<b><u>PALRF</u></b>	<b>2018</b>	<b>2017</b>
Internal Service Fund	\$ 197,502	\$ 103,269
General Fund	27,902	153,882
Total	<u>\$ 225,404</u>	<u>\$ 257,151</u>

<b><u>PCLRF</u></b>	<b>2018</b>	<b>2017</b>
Public Works – Road Fund	\$ 9,563	\$ -
Los Angeles River Bike Path Project	50,877	27,871
Internal Service Fund	583,841	379,588
Total	<u>\$ 644,281</u>	<u>\$ 407,459</u>

<b><u>MRLRF</u></b>	<b>2018</b>	<b>2017</b>
Internal Service Fund	\$ 59,563	\$ 3,738
Public Works – Road Fund	2,558	-
Total	<u>\$ 62,121</u>	<u>\$ 3,738</u>

<b><u>MMLRF</u></b>	<b>2018</b>	<b>2017</b>
Public Works – Road Fund	\$ 1,086	\$ -
Total	<u>\$ 1,086</u>	<u>\$ -</u>

<b><u>TDAA3F</u></b>	<b>2018</b>	<b>2017</b>
Internal Service Fund	\$ 23,264	\$ 694
Public Works - Proposition C Local Return Fund	64	-
Total	<u>\$ 23,328</u>	<u>\$ 694</u>

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 10 – DUE FROM OTHER FUNDS/ DUE TO OTHER FUNDS (Continued)**

The due to balances as of June 30, 2018 comprised of the following amounts:

<b><u>PALRF</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Internal Service Fund	\$ 442,233	\$ 438,127
General Fund	119,664	427,104
Public Works – Flood Fund	61,613	-
JPA – North Los Angeles County Transportation Coalition	100,000	-
Total	<u>\$ 723,510</u>	<u>\$ 865,231</u>

<b><u>PCLRF</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Internal Service Fund	\$ 1,701,535	\$ 1,429,873
Public Works – Road Fund	65,674	9,633
Public Works – Flood Fund	164,662	64
General Fund	15,205	968,362
Public Works – Article 3 – Bikeway Fund	64	-
LLDA – Area-Wide Landscape #1 Annex A Copperhill Road	6,000	-
Total	<u>\$ 1,953,140</u>	<u>\$ 2,407,932</u>

<b><u>MRLRF</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Internal Service Fund	\$ 283,881	\$ 420,559
Public Works – Road Fund	17,599	1,665
Public Works – Flood Fund	27,329	55,387
General Fund	1,689	8,085
Total	<u>\$ 330,498</u>	<u>\$ 485,696</u>

<b><u>MMLRF</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Internal Service Fund	\$ 3,148	\$ -
Total	<u>\$ 3,148</u>	<u>\$ -</u>

<b><u>TDAA3F</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Internal Service Fund	\$ 79,622	\$ 63,563
General Fund	491	1,016
Total	<u>\$ 80,113</u>	<u>\$ 64,579</u>

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 11 – DEFERRED INFLOWS OF RESOURCES – PALRF, PCLRF AND MRLRF**

The County recognizes revenue when the payments for services rendered become measurable and available. In fiscal years ended June 30, 2018 and 2017, the County recorded deferred inflows of resources when the availability of funds was not determined at fiscal year-end.

The issuance of GASB Statement 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, 2018 and 2017, the amount was reported as deferred inflows of resources. As of June 30, 2018, the deferred inflows of resources were \$105,700 for PALRF, \$4,157,072 for PCLRF and \$923 from the Measure R. As of June 30, 2017, the deferred inflows of resources were \$105,700 for PALRF, \$4,502,646 for PCLRF and \$923 from the Measure R.

**NOTE 12 – 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, 2018, PALRF, PCLRF, and MRLRF contributed the balances of \$196,600, \$768,900, and \$151,300, respectively. As of June 30, 2017, PALRF and PCLRF contributed the balances of \$195,900 and \$756,300, respectively.

**NOTE 13 – PROPOSITION A DISCRETIONARY INCENTIVE GRANT AND PROPOSITION C DISCRETIONARY INCENTIVE GRANT**

The Proposition A Discretionary Incentive Grant amounting to \$1,291,573 and \$1,313,389 for the years ended June 30, 2018 and 2017 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 \$11,574,913 and \$12,102,340 for the years ended June 30, 2018 and 2017, respectively.



**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 14 – OTHER GOVERNMENT GRANTS – PALRF and MRLRF**

Other government grants under PALRF and MRLRF represent grant funds received from other governmental agencies towards Proposition A and Measure R projects. As of June 30, 2018, PALRF and MRLRF received \$2,004,896 and \$1,602,284, respectively. As of June 30, 2017, PALRF and MRLRF received \$4,490,404 and \$1,795,582, respectively.

**NOTE 15 – SALE OF CAPITAL ASSETS – PALRF**

During the year ended June 30, 2018 and 2017, the County disposed of surplus transit vehicles and received \$32,118 and \$500, respectively, in proceeds. The proceeds were recorded as revenue under PALRF.

**NOTE 16 – TRANSPORTATION DEVELOPMENT ACT FUNDS REVENUE ALLOCATION**

The revenue allocation for the fiscal years ended June 30, 2018 and 2017 consisted of the following:

TDA Article 3 Fund

	2018	2017
FY 2015-16 allocation*	\$ -	\$ 865,891
FY 2016-17 allocation	488,279	1,037,909
FY 2017-18 allocation	659,614	-
Total payments requested	\$ <u>1,147,893</u>	\$ <u>1,903,800</u>

TDA Article 8 Fund

	2018	2017
FY 2016-17 allocation	\$ -	\$ 4,280,545
FY 2017-18 allocation	4,207,471	-
Total payments requested	\$ <u>4,207,471</u>	\$ <u>4,280,545</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.

**COUNTY OF LOS ANGELES**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Fiscal Years Ended June 30, 2018 and 2017  
(Continued)

**NOTE 17 – TRANSPORTATION DEVELOPMENT ACT FUNDS RESERVED**

In accordance with state 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 Metro. As of June 30, 2018, and 2017, the County has funds on reserve as follows:

TDA Article 3 Fund

	2018	2017
FY 2016-17 allocation	\$ -	\$ 488,279
FY 2017-18 allocation	848,942	-
Available reserve balance	\$ 848,942	\$ 488,279

For fiscal year 2017-18, any TDA Article 3 funds left on reserve for FY 2013-14 or prior, are subject to lapse if not by claimed by the County by June 30, 2018. There no funds lapsed in FY 2017-18.

TDA Article 8 Fund

	2018	2017
FY 2016-17 allocation	\$ -	\$ -
FY 2017-18 allocation	-	-
Available reserve balance	\$ -	\$ -

For fiscal year 2017-18, any TDA Article 8 funds left on reserve for FY 2013-14 or prior, are subject to lapse if not by claimed by the County by June 30, 2018. There were no lapsed funds in FY 2017-18.

**NOTE 18 – SUBSEQUENT EVENTS**

The County has evaluated events or transactions that occurred subsequent to June 30, 2018 through December 24, 2018, 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.



SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS  
FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320  
LOS ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

**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 Transit 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, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M 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), as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated December 24, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Funds' 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 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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, Measure M Local Return Fund, Transportation Development Act Article 3 and 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 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.

A handwritten signature in cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 24, 2018

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*COMPLIANCE SECTION*

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SIMPSON & SIMPSON

CERTIFIED PUBLIC ACCOUNTANTS  
FOUNDING PARTNERS  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

U.S. BANK TOWER  
633 WEST 5TH STREET, SUITE 3320 LOS  
ANGELES, CA 90071  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
www.simpsonandsimpsoncpas.com

## **Independent Auditor's Report on Compliance**

To the Honorable Members of the County Council of the  
County of Los Angeles, California and the  
Los Angeles County Metropolitan Transit 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, Measure M Local Return Guidelines, the Los Angeles County Metropolitan Transportation Authority's Funding and Allocation Guidelines for the Transportation Development Act Article 3 Bicycle and Pedestrian Funds, and the Los Angeles County Metropolitan Transportation Authority Guidelines to the Administration of Transportation Development Act Article 8 (collectively, the Guidelines) for the year ended June 30, 2018.

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

Management is responsible for the County's compliance with the 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 Proposition A Local Return Program, Proposition C Local Return Program, Measure R Local Return Program, Measure M 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 on Each Local Return Program, Transportation Development Act Article 3 and Transportation Development Act Article 8***

In our opinion, the County complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2018.



## Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the Guidelines 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines 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 Guidelines 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 cursive script that reads "Simpson &amp; Simpson".

Los Angeles, California  
December 24, 2018

**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2018

Compliance Requirement		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			None	
2.	Timely use of funds.	X			None	
3.	Funds expended were approved and have not been substituted for property tax.	X			None	
4.	Expenditures that exceeded 25% of approved project budget have approved amended project Description Form (Form A).			X	None	There were no expenditures that exceeded 25% of approved project budget.
5.	Administrative expenditures are within the 20% cap of the total annual Local Return Expenditures.	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 are maintained.	X			None	
10.	Accounting procedures, record keeping and documentation are adequate.	X			None	
11.	Pavement Management System (PMS) in place and being used for Street Maintenance or Improvement Projects Expenditures.	X			None	
12.	Local Return Account is credited for reimbursable expenditures.	X			None	
13.	Self-Certification was completed and submitted for Intelligent Transportation Systems projects or elements.	X			None	
14.	Assurances and Understandings form was on file.	X			None	
15.	Recreational transit form was submitted on time.	X			None	



**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2018

Compliance Requirement		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			None	
2.	Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	X			None	
3.	Signed Assurances and Understandings on file.	X			None	
4.	Separate Measure R Local Return Account was established.	X			None	
5.	Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure R Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenditures are within the 20% cap.			X	None	There were no administrative expenditures in FY 2017/18.
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2017/18.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no projects which required a capital reserve fund in FY 2017/18.
13.	Recreational transit form was submitted on time.			X	None	There were no expenditures which required submission of this form in FY 2017/18.

**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2018

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>C. Measure M Local Return Fund</b>						
1.	Funds were expended for transportation purposes.	X			None	
2.	Funds were used to augment, not supplant existing local revenues being used for transportation purposes unless there is a fund shortfall.	X			None	
3.	Signed Assurances and Understandings on file.	X			None	
4.	Separate Measure M Local Return Account was established.	X			None	
5.	Revenue received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	X			None	
6.	Funds were expended with Metro's approval.	X			None	
7.	Expenditure Plan (Form One) was submitted on time.	X			None	
8.	Expenditure Report (Form Two) was submitted on time.	X			None	
9.	Timely use of funds	X			None	
10.	Administrative expenses are within the 20% cap.	X			None	
11.	Fund exchanges were approved by Metro.			X	None	There were no fund exchanges in FY 2017/18.
12.	A separate account was established for Capital reserve funds and Capital reserve was approved by Metro.			X	None	There were no expenditures which required a Capital reserve fund in FY 2017/18.
13.	Recreational transit form was submitted timely.			X	None	There were no expenditures which required submission of this form in FY 2017/18.

**COUNTY OF LOS ANGELES**  
**COMPLIANCE MATRIX**  
Year Ended June 30, 2018

Compliance Requirement		In Compliance			Questioned Costs	If no, provide details and management response.
		Yes	No	N/A		
<b>D. 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>E. Transportation Development Act Article 8 Fund</b>						
1.	Timely use of funds.	X			None	
2.	Expenditures were incurred for activities relating to transit, paratransit and local streets and roads.	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  
BRAINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

## 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

### 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, 2018.

### *Management's Responsibility*

Management is responsible for the County's compliance with those requirements.

### *Auditor's Responsibility*

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.

### *Opinion*

In our opinion, the County of Los Angeles complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2018.





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.

*Simpson & Simpson*

Los Angeles, California

December 24, 2018

**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, 2018

**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, 2018.

**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, 2018 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)	\$ 1,291,573	\$ -	\$ 1,291,573
Percentage allowable per Agreement	<u>87%</u>	<u>-</u>	<u>87%</u>
87% of Total Project Cost (\$1,313,389 * 87%) (A)	\$ 1,123,669	\$ -	\$ 1,123,669
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, 2018

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, MEASURE M  
LOCAL RETURN FUNDS, TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND  
TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND  
EXIT CONFERENCE  
June 30, 2018

An exit conference was held on December 20, 2018 with the County of Los Angeles. Those in attendance were:

***Simpson & Simpson Representative:***

Wanda Molina, Audit Supervisor  
Xinyi Yi, Auditor

***County's Representative:***

Fiona Dang, Accountant III (County)  
Daniel Yen, Accountant I (County)  
Sandra Perez, Transit Program Specialist (County)  
Lisa Chen, Associate Civil Engineer (County)  
Nydia Rivas, Senior Civil Engineer (County)  
Hank Fung, Civil Engineer (County)  
Ricardo Gordillo, Civil Engineer (County)

***Matters Discussed:***

Results of the audit disclosed no significant financial and compliance issues with Metro 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:

Fiona Dang, Accountant III

Simpson & Simpson, LLP  
633 West 5<sup>th</sup> Street, Suite 3320  
Los Angeles, CA 90071

RE: COUNTY OF LOS ANGELES ANNUAL FINANCIAL REPORT OF THE PROPOSITION A LOCAL RETURN FUND, PROPOSITION C LOCAL RETURN FUND, MEASURE R LOCAL RETURN FUND, MEASURE M LOCAL RETURN FUND, TRANSPORTATION DEVELOPMENT ACT ARTICLE 3 FUND AND TRANSPORTATION DEVELOPMENT ACT ARTICLE 8 FUND FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

I have received the annual financial report of the Proposition A Local Return Fund, Proposition C Local Return Fund, Measure R Local Return Fund, Measure M Local Return Fund, Transportation Development Act Article 3 Fund and Transportation Development Act Article 8 Fund for the fiscal years ended June 30, 2018 and 2017 for the County of Los Angeles and agree with the contents of the report except as indicated below:

(Attach additional pages if necessary)

Very truly yours,

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Name

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Title

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Date