

LEADING THE WAY TO GREATER MOBILITY



**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

for the Fiscal Year ended June 30, 1992

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**LOS ANGELES
COUNTY
TRANSPORTATION
COMMISSION**

LOS ANGELES, CA

Prepared by Finance

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**LOS ANGELES
COUNTY
TRANSPORTATION
COMMISSION**
Los Angeles, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1992

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Prepared by:

ATO - FINANCE UNIT
Harvey D. Saulter, Accountant III
Sidney A. Porter, Accounting Manager
Terry Matsumoto, Controller

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LOS ANGELES COUNTY TRANSPORTATION COMMISSION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 1992

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Leading the Way to Greater Mobility

THE LOS ANGELES COUNTY TRANSPORTATION COMMISSIONERS

Hon. Michael Antonovich
Chair/Supervisor
County of Los Angeles

Hon. Richard Alatorre
Vice-Chair/Councilman
City of Los Angeles

Hon. Ray Grabinski
Councilman
City of Long Beach

Hon. Edmund D. Edelman
Supervisor
County of Los Angeles

Hon. Gloria Molina
Supervisor
County of Los Angeles

Hon. Kenneth Hahn
Supervisor
County of Los Angeles

Hon. Deane Dana
Supervisor
County of Los Angeles

Hon. Tom Bradley
Mayor
City of Los Angeles

Hon. Judith Hathaway-Francis
Councilmember
City of La Habra Heights

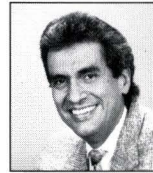
Hon. Jackie Bacharach
Councilmember
City of Rancho Palos Verdes

Mr. James Tolbert
Citizen Representative
City of Los Angeles

Mr. Jerry B. Baxter
(Ex-officio representing District
Director, State of California)
Caltrans, District 7



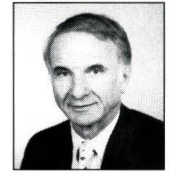
Hon. Michael Antonovich



Hon. Richard Alatorre



Hon. Ray Grabinski



Hon. Edmund D. Edelman



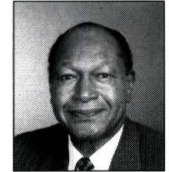
Hon. Gloria Molina



Hon. Kenneth Hahn



Hon. Deane Dana



Hon. Tom Bradley



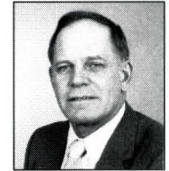
Hon. Judith Hathaway-Francis



Hon. Jackie Bacharach



Hon. James Tolbert



Hon. Jerry B. Baxter



Neil Peterson
LACTC Executive Director

THE RAIL CONSTRUCTION CORPORATION BOARD

Robert E. Kruse
Chairman

Judith L. Hopkinson
Vice-Chair

Ernest M. Camacho
Board Member

David E. Anderson
Board Member

Mas Nagami
Board Member

Donald F. McIntyre
Board Member

John W. Murray
Board Member



Robert E. Kruse



Judith L. Hopkinson



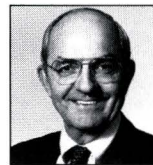
Ernest M. Camacho



David E. Anderson



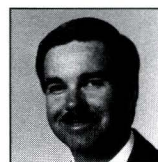
Mas Nagami



Donald F. McIntyre



John W. Murray



Ed McSpedon
RCC President/CEO

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December 15, 1992

The Honorable Commission Members
Los Angeles County Transportation Commission
Los Angeles, California

The Comprehensive Annual Financial Report for the Los Angeles County Transportation Commission (Commission) for the fiscal year ended June 30, 1992, is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Commission. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Commission's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The Commission is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128. Information related to the Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are set forth in a separate Single Audit report.

The Reporting Entity

The Los Angeles County Transportation Commission was created by State law in 1976 to oversee the funding and coordination of all

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public transportation services within Los Angeles County. Its mission is to lead the way to greater mobility in Los Angeles county and maximize the cost effectiveness of transportation dollars in the County. The Commission is responsible for setting policies, establishing priorities, and coordinating activities among the various transportation operators and agencies. It programs and/or reviews the allocation of federal, State and local funds for highway, transit, rail, bicycle and other transportation activities.

The Commission is also responsible for building the 150-mile Metro multimodal surface transportation network, which works in concert to move people to and from their destinations while rebuilding the transportation infrastructure in Los Angeles County. The Commission has developed, subject to periodic revision, a comprehensive rail rapid transit system development plan. As currently envisioned, the rail system will eventually entail the construction and operation of rail rapid transit lines and related fixed guideway transit projects in 13 transportation corridors throughout the County. Six of these corridors have been designated for the initial phases of the rail system. Five transit projects are currently under construction or have advanced to a significant stage of planning. The first project, the Long Beach-Los Angeles Transit project (the "Metro Blue Line"), began revenue service operations on August 1, 1990. Design and construction activities are carried out by the Commission's subsidiary, the Rail Construction Corporation (RCC). Additionally, the Commission serves as the local Service Authority for Freeway Emergencies (SAFE), a State sponsored program to provide emergency call box service for motorists. The Commission also administers funds provided through the State Transit Assistance program. These activities are included in the reporting entity along with all the funds and account groups of the Commission.

Under the terms of State Assembly Bill 152, the Commission and the Southern California Rapid Transit District (SCRTD) will merge on April 1, 1993 to form the Los Angeles County Metropolitan Transportation Authority. The SCRTD currently provides over 80% of the bus service within Los Angeles County.

The primary source of transportation funds has been Proposition A, a half-cent sales tax which County voters approved in 1980 for public transit improvements. On November 6, 1990, the voters of the County also approved Proposition C, a measure that increases the sales tax in the County by an additional one-half cent. The proceeds are to be used to expand and improve rail transit, bus transit, and paratransit services in the County. Collection of the Proposition C Sales Tax began on April 1, 1991, and the receipts became available to the Commission in June 1991. However, in February 1991, an action was filed in Superior Court challenging the validity of the tax. Due to the uncertainty as

to the final outcome of the litigation, the Commission resolved not to spend the Proposition C proceeds (other than interest earnings thereon) until all matters were clarified. In May 1992, the Commission was notified that all matters had been resolved in favor of Proposition C. Proposition C funds were included in the FY 93 budget and are now being used to expand rail transit, bus transit, and other mass transit uses.

There are 88 cities in Los Angeles County. Over 2,500 buses are operated during peak hours, carrying an average of 1.4 million passengers a day. In addition, there are 67 providers of supplemental service to the elderly and disabled as well as 15 general public carriers providing a variety of community shuttles and dial-a-ride programs. These systems carry 12.5 million additional passengers a year.

The Commission is involved in a number of innovative demonstration projects, both locally and federally-funded. These projects include bus service contracting, alternate fuels and transit system coordination, such as dial-one-number for telephone information. The Commission has also been a leader, with the City of Los Angeles and Caltrans, in demonstrating intelligent vehicle and highway systems (IVHS), including the Santa Monica Freeway Smart Corridor Demonstration Project. In July 1991, The Commission initiated a tow truck service to assist disabled vehicles on the main highways of the County in order to expedite the movement of traffic. This service is provided at no charge to the motorists.

Economic Condition and Outlook

Los Angeles County is currently experiencing an economic recession which began in 1990. The Los Angeles economy has followed the U.S. economy that has faltered into an economic downturn. This general economic downturn in Southern California during this past fiscal year is evident in lower Proposition A sales tax revenues. Economic forecasts for the Los Angeles County area reflect a general economic downturn throughout Southern California and anticipate a decline in taxable sales for fiscal year 1993. Modest sales tax increases are forecast for fiscal years 1994 and 1995.

Although Los Angeles County is experiencing an economic recession that affects the sales tax base, the Commission's overall financial base has increased with the addition of Proposition C funds. Proposition C has added an additional \$353 million to the overall revenue base of the Commission. This additional sales tax gives the Commission a solid revenue base to fund the various transportation improvement projects.

Proposition A and C sales tax revenues, the Commission's largest funding sources to date, are shown below (in thousands):

<u>Fiscal Year</u>	<u>Prop A</u>	<u>Prop A Percent Inc (Dec)</u>	<u>Combined Prop A & C</u>
1991/92	\$ 367,707	(8.2%)	\$ 720,348
1990/91	400,448	1.3%	442,932
1989/90	395,355	6.3%	395,355
1988/89	372,021	6.7%	372,021
1987/88	348,726	9.9%	348,726

Three other measures, Propositions 108, 111 and 116 were approved by California voters in June 1990.

- o Proposition 108 provides \$1 billion of rail bond funds. The legislation that authorized the proposition also calls for an additional rail bond measure of \$1 billion to be voted upon in 1994.
- o Proposition 111 increased the State gas tax by one cent to 14 cents a gallon and adds another penny each January until the gas tax equals 18 cents.
- o Proposition 116 provides \$2 billion of rail bond funds.

These measures are expected to generate over \$20 billion statewide over the next 10 years for transportation projects. The Commission is programmed to receive \$1.4 billion of Proposition 108 rail bond funds, \$3.8 billion of Proposition 111 gas tax funds, and \$0.5 billion of Proposition 116 rail bond funds.

Together, these new revenues will enable the Commission to construct the planned county-wide 150-mile rail transit system, implement commuter rail service to downtown Los Angeles from outlying areas in Los Angeles, Ventura, Orange, Riverside, San Diego and San Bernardino counties, and continue an aggressive program of highway improvements throughout Los Angeles County emphasizing High Occupancy Vehicle (HOV) lanes, gap closures, and street widening. All expenditures of the new revenues will be reported in the State Auditor General's annual report.

Financial Planning

In April 1992, the Commission adopted a 30-year Integrated Transportation Plan which analyzes the Commission's capacity to finance a comprehensive rail, bus and highway network for Los Angeles County. Based on alternative scenarios, recommendations are developed as to how the network can be financed using new and existing revenue sources. The plan facilitates decisions regarding project timing and resource allocation, and represents Commission programs and revenue requirements to local, State,

federal, and private sector partners in the public transportation development process. The plan will be updated on a biennial cycle.

Major Highlights and Achievements

The Metro Blue Line

Opened on July 14, 1990, the Blue Line, which connects downtown Long Beach and Los Angeles, currently carries over 35,000 riders a day and it is estimated that it will carry 54,000 riders a day by the year 2000 when more connecting systems are in operation. Final upgrades of this system were completed this year.

Commuter Rail Service Begins

The commuter rail service, known as *MetroLink*, opened for revenue service in October 1992. This opening marked a major transportation achievement for the region. Two years of intense work and cooperation on the part of five counties and various local municipalities made this commuter rail system possible. The network ultimately will have over 400 route miles and 60 stations, and will serve commuters from Los Angeles' neighboring counties of Ventura, Orange, Riverside, San Diego and San Bernardino.

Metro Red Line Opens

Segment 1 of the Metro Red Line subway is currently scheduled for completion and operations in January 1993, several months ahead of schedule. This opening will mark another historic achievement made by the Los Angeles County Transportation Commission.

The first 4.4 miles of the Metro Red Line will run from Union Station to Alvarado Street under the central business district of downtown Los Angeles. This segment will link commuters from *MetroLink* and the Metro Blue Line to areas throughout downtown Los Angeles.

Metro Red Line Segments 2 and 3

Ground breaking ceremonies for the Segment 2 were held on June 13, 1991 at the Wilshire and Western station to commemorate the beginning of construction. Construction on this segment is now well underway. This segment runs from downtown Los Angeles through Hollywood. Segment 3 will connect Hollywood to the San Fernando Valley. The revenue operations date for the Wilshire corridor is July 1996, and the Vermont and Hollywood corridor is September 1998.

Metro Green Line

Construction is well underway on this rail project which will run in the middle of the Glen Anderson Freeway (I-105) connecting Norwalk and El Segundo. It will have two branch extensions, a 3.5 mile "South Coast" segment extending south from Aviation/Imperial into El Segundo and ending at Freeman/Main in Redondo Beach, and a 3 mile "North Coast" branch extending to Los Angeles International Airport and Westchester. This line is scheduled to open in November 1994.

Other Major Accomplishments

Buses are an integral part of a balanced transportation system. The Commission funds a total of 1.4 million bus trips per day in Los Angeles County, which includes over 1.3 million daily trips carried on the SCRTD system alone.

The Commission allocates State, federal and local operating funds to the SCRTD and 16 other fixed route bus operators in the County. The objectives of the allocation process are to:

- Provide bus operators with a predictable and stable source of funding;
- Pay for the delivery of basic bus services;
- Ensure an equitable distribution of funds; and
- Reward operators for performance.

To meet mandates set by the South Coast Air Quality Management District, the entire bus fleet will operate on clean fuel or electrified lines by the year 2010. The latest in clean fuel and "electrified" bus technologies are being studied to find the buses best suited for the region.

To improve the bus system and to meet the above mandates the Commission issued certificates of participation debt this year totaling over \$137 million to purchase and finance the acquisition of 420 buses and related equipment to be operated by the SCRTD and other municipal operators. These new clean fuel buses will help improve mobility and also help meet clear air standards.

Improved Highways

The LACTC commitment to improving and managing streets and highway traffic includes the following projects that are underway:

- **Smart Streets:** High technology systems to keep traffic moving on major freeways and streets despite weather, time of day, or incidents.
- **Tow Truck Service:** Tow truck patrol, dispatched to the most congested corridors to rapidly relieve traffic tie-ups on freeways.
- **Call-Box System:** Upgrading and expanding our freeway emergency call-box system.
- **Connected Car Pool Lanes:** Designed to encourage ridesharing by allowing commuters to travel from freeway to freeway without leaving the car pool lane system.
- **HOV Lanes:** Greatly expanding the HOV system from its present number of only 16 miles on the County's 572 mile freeway system.
- **Park-and-Ride Lots:** Convenient and safe lots strategically placed to facilitate using public transportation systems such as rail and bus.
- **Metro Hotline:** For motorist recommendations for solutions along their travel paths.
- **Bikeways:** Seeking ways to expand and improve maintenance of the County's 500-mile bikeway system.

Financial Information

Management of the Commission is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

SINGLE AUDIT - As a recipient of federal and State financial assistance, the Commission also is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the Commission's independent auditors.

As a part of the Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Commission has complied with applicable laws and regulations. The results of its Single Audit for the fiscal year ended June 30, 1992 reflected no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

BUDGETING CONTROLS - The Commission maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budgets approved by the Board of Commissioners. Activities of the general fund and certain special revenue funds are included in the annual appropriated budgets, such funds providing the level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount). Comprehensive multi-year Program Plans, adopted when rail projects are approved for the final design and construction phase, provide project-length budgetary control in the capital projects funds. The portion of costs expected to be incurred on each project during the fiscal year are included in the annual operating budget.

The Commission also maintains an encumbrance accounting system as another technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, such encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Commission continues to meet its responsibility for sound financial management.

Summary of Resources

The following tabulation summarizes the Commission's revenues and other financing sources (all governmental fund types), other than operating transfers, for the year ending June 30, 1992. Also presented is a comparison of such amounts with the prior year (in thousands).

<u>Resources</u>	<u>1991/92</u>	<u>Percent of Total</u>	<u>1990/91</u>	<u>Increase (Decrease)</u>
Sales tax	\$ 720,348	41.0%	\$ 442,932	\$ 277,416
Licenses	6,611	.3	6,023	588
Intergovernmental	330,958	18.7	231,693	99,265
Interest	48,019	2.7	50,639	(2,620)
Other	6,049	.3	10,766	(4,717)
Subtotal	1,111,985	63.0	742,053	369,932
Financing proceeds	653,445	37.0	878,000	(224,555)
Total	<u>\$1,765,430</u>	<u>100.0%</u>	<u>\$1,620,053</u>	<u>\$ 145,377</u>

The sales tax increase is primarily due to Proposition C revenue receipts of \$352,641 for the full year. License revenue is a one dollar fee imposed upon each motor vehicle registered in the County under the SAFE program.

The increase in intergovernmental revenues reflects the receipt of Federal Transit Administration (FTA) Grant funds (formerly the Urban Mass Transit Administration (UMTA)) for the MOS-2 construction project.

The decline in interest revenue is due primarily to lower interest rates throughout the year. Other resources decreased primarily because of utility refund revenues received in the prior year totaling \$4,958.

Summary of Expenditures

The amount of expenditures for all governmental fund types of the Commission are compared with the prior year in the following summary (dollars in thousands).

<u>Expenditures</u>	<u>1991/92</u>	<u>Percent of Total</u>	<u>1990/91</u>	<u>Increase (Decrease)</u>
Administration	\$ 40,391	2.9%	\$ 21,370	\$ 19,021
Transportation subsidy	328,870	23.7	281,574	47,296
Capital outlay	669,076	48.1	824,402	(155,326)
Debt service	352,308	25.3	68,852	283,456
Total	\$1,390,645	100.00%	\$1,186,198	\$ 194,447

The increase in Administration costs is principally due to additional staffing needed for new projects that the Commission has undertaken.

The increase in Transportation subsidy costs is primarily due to approved increases in funding provided by the State Transit Assistance Fund and increases in transit subsidies funded from Proposition A to help offset budget shortfalls of the SCRTD.

The decrease in capital outlay costs were the result of prior year expenditures made to acquire major rights-of-way associated with the Commission's commuter rail program. Most of these rights-of-way, approximately \$320 million, were purchased in fiscal year 1990-91.

The increase in debt service expenditures reflects the retirement of \$152,000 of commercial paper debt, bond interest and principal expenses on new issues, and certificates of participation (C.O.P.) expenses related to the purchases and long term leases of buses to be operated by the SCRTD and other transit operators.

Debt Administration

The Commission had \$2,068,914 of outstanding long-term debt at June 30, 1992, reflecting a net increase of \$472,457 over June 30, 1991. The Commission issued \$487,790 of Sales Tax Revenue Refunding Bonds, 1991 Series B (\$281,425), 1992 Series A (\$98,700), and 1992 Series B (\$107,665), and issued \$137,715 of C.O.P. The Commission also reduced commercial paper debt by \$152,000 and incurred \$12,592 in bond principal expenditures.

The Commission incurred \$122,682 in total debt service payments for the year ended June 30, 1992. However, this amount included \$11,545 of bond principal payments due in July 1992 and commercial paper interest payments of \$9,745, both of which were not related to current year Proposition A Revenue Bond debt service. The net debt service payments totaled \$101,392. Because of the new refunding issues, the annual debt service related to Proposition A Revenue Bonds will decrease to \$94,970 for the year ending June 30, 1993. Thereafter, debt amortization requirements will be between \$94,000 and \$100,000 annually. The Commission's policy precludes incurring debt service payments for Proposition A Revenue Bonds in excess of 30% of Proposition A revenue. For the fiscal year ended June 30, 1992, such 30% portion amounted to approximately \$110,312.

Cash Management

The major portion of the Commission's cash and investments at June 30, 1992, was on deposit with the Los Angeles County Treasurer in the County's pooled investments fund.

Interest earned on these pooled investments is allocated to the participating accounts based upon each accounts average daily deposit balance. Statutes authorize the County to invest in obligations of the United States Treasury, federal agencies, municipalities, commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's, bankers' acceptances, repurchase agreements and reverse repurchase agreements.

Operating funds are maintained in commercial banks where idle balances are invested as permitted by State law in certificates of deposit, obligations of the United States Treasury, and commercial paper.

Cash and investments with fiscal agents represents principally restricted monies held by the Trustee for the Commission's

revenue bonds. These funds are set aside in accordance with the bond indentures for the purpose of making bond interest and principal payments. Funds are invested pursuant to the directions of the Commission in keeping with its investment policy, giving full recognition to federal arbitrage regulations.

Further details of the Commission's cash and investments at June 30, 1992 are set forth in a footnote to the financial statements.

Risk Management

The Commission protects itself against the adverse consequences of material or financial loss through a balanced program of risk retention, risk transfers, and the purchase of commercial insurance. Loss exposures retained by the Commission and treated as normal operating expenses include building contents (property), employee theft and dishonesty, crime, fiduciary and public official liabilities. Exposures for which insurance is purchased with various retention or deductible levels include workers' compensation and employer's liability, employee benefits, vehicle liability, and specified rail construction risks.

Rail construction projects are protected through the purchase of an owner controlled insurance program (OCIP). OCIP coverage includes workers' compensation and employer's liability, bodily injury and property damage liability, builders risk (property), and railroad protective liability.

Independent Audit

The Administrative Code of the Commission requires that an annual audit be made by independent certified public accountants. The joint venture of KPMG Peat Marwick and Gilbert Vasquez & Company has been retained to meet this requirement. In addition to this annual audit, the examination of the records is designed to meet the requirements of the Single Audit Act of 1984 and related OMB Circular A-128. The auditors' report on the general purpose financial statements is included in the Financial Section of this report. The reports related specifically to the Single Audit have been issued under separate cover.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Los Angeles County Transportation Commission for its comprehensive annual financial reports for the fiscal years ended June 30, 1991, 1990, and 1989. The Certificate of Achievement is the highest form of recognition for excellence in State and local government financial reporting.

In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and well organized comprehensive annual financial report whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its fiscal year 1991-92, 1990-91 and 1989-90 budgets. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget documents were judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

The undersigned sincerely appreciates the cooperation and assistance of many individuals who contributed directly or indirectly to the accumulation of the financial data included in this financial report. The leadership and understanding of the Commissioners and management during the rapidly-changing Commission activities also were of great significance in this endeavor. Most of all, the timely preparation of this report was made possible primarily by the dedicated services of the entire staff of the Finance Section, who are to be commended for their high level of performance.

Prepared By: Terry Matsumoto, Controller



NEIL PETERSON
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County Transportation
Commission, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1991

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



[Signature]
President

[Signature]
Jeffrey L. Essler
Executive Director

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LOS ANGELES COUNTY TRANSPORTATION COMMISSION

BOARD MEMBERS AND PRINCIPAL OFFICIALS

June 30, 1992

BOARD OF COMMISSIONERS

MEMBERS

Michael D. Antonovich, Chair
Richard Alatorre, Vice Chair
Ray Grabinski
Edmund D. Edelman
Gloria Molina
Kenneth Hahn
Deane Dana
Tom Bradley
Jacki Bacharach
Judy Hathaway-Francis
James Tolbert (Citizen Representative)
Jerry B. Baxter (Ex-Officio
representing State of California)

ALTERNATES

Nick Patsaouras
Michael Woo
Doris Topsy-Elvord
Marvin Holen
Gerry Hertzberg
Mas Fukai
Don Knabe
Ray Remy
Harold Croyts
Robert J. Arthur

RAIL CONSTRUCTION CORPORATION

BOARD OF DIRECTORS

Robert E. Kruse, Chair
Judith Hopkinson, Vice Chair
David E. Anderson
Ernest Camacho
Donald McIntyre
John W. Murray
Mas Nagami

PRINCIPAL OFFICIALS

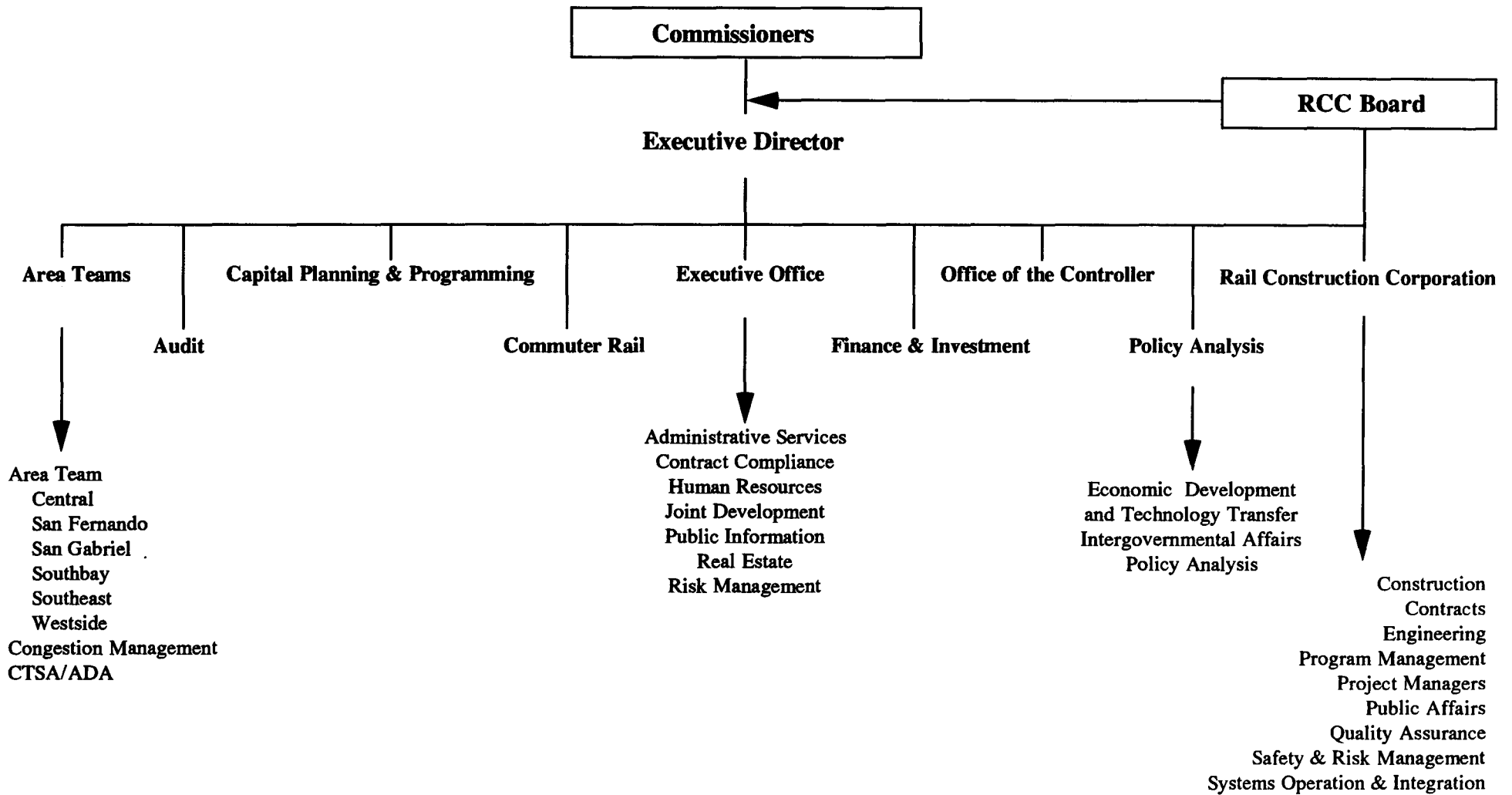
NAME

TITLE

Neil Peterson	Executive Director - LACTC
Edward McSpedon	President/CEO - RCC
Judy Wilson	Deputy Executive Director - LACTC
Leslie V. Porter	Deputy Executive Director - LACTC
Jerry Givens	Assistant Executive Director-LACTC

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Structural Organization

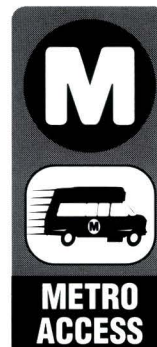
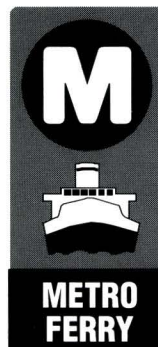
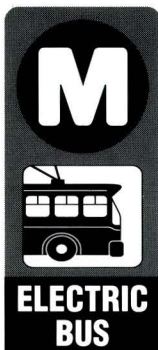
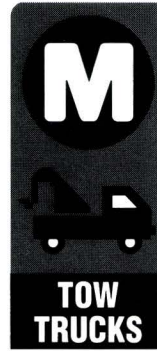
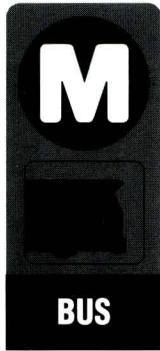




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Leading the Way to Greater Mobility

COMPONENTS OF THE METRO SYSTEM



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In 1990 the LACTC launched a major program to greatly improve mobility in the county and the surrounding Southern California area. The program—an integrated transportation network called the Metro System—coordinates rail, bus and highway improvements designed to make getting around Los Angeles County easier and more economical. At the same time, the Metro System will help Los Angeles meet the SCAQMD's goals for air pollution reduction. The entire system will be implemented over a 30-year period, with the bulk of the system completed by the year 2001.



Independent Auditors' Report

The Honorable Board of Commissioners
Los Angeles County Transportation Commission:

We have audited the general purpose financial statements of the Los Angeles County Transportation Commission as of and for the year ended June 30, 1992, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Los Angeles County Transportation Commission as of June 30, 1992 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Los Angeles County Transportation Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*KPMG Peat Marwick
Gilbert Vasquez & Co.*

October 30, 1992



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Leading the Way to Greater Mobility



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Leading the Way to Greater Mobility

Los Angeles County Transportation Commission
 Combined Balance Sheet – All Fund Types and Account Groups
 June 30, 1992
 (With comparative totals for June 30, 1991)
 (Amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Cash and investments	\$ 6,781	\$ 560,782	\$ 0	\$ 92,437
Cash and investments with fiscal agents	0	0	731,761	0
Receivables:				
Notes	344	5,746	0	0
Interest	29	5,719	8,280	730
Sales tax	0	28,431	0	0
Intergovernmental	0	4,699	4,845	164,896
Miscellaneous	154	0	0	1,964
Interfund	0	15,139	0	0
Due from other funds	150	0	0	32,111
Prepaid items	0	0	0	799
Deposits	1	0	0	9,021
Interest in property held for resale	150	0	0	700
Contributed Capital – SCRRRA	0	0	0	0
Facilities, property and equipment	0	0	0	0
Construction in Progress:				
Metro Green Line	0	0	0	0
Metro Rail, MOS 1	0	0	0	0
Metro Rail, MOS 2	0	0	0	0
Metro Rail, MOS 3	0	0	0	0
Other	0	0	0	0
Other Debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0
Total assets and other debits	\$ 7,609	\$ 620,516	\$ 744,886	\$ 302,658

The notes to the financial statements are an integral part of this statement.

Exhibit 1

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Trust and Agency	General Fixed Assets	General Long-Term Debt	1992
\$ 25	\$ 0	\$ 0	\$ 660,025	\$ 435,558
2,174	0	0	733,935	583,631
0	0	0	6,090	5,918
0	0	0	14,758	12,544
0	0	0	28,431	28,857
0	0	0	174,440	134,701
0	0	0	2,118	1,452
0	0	0	15,139	39,938
0	0	0	32,261	47,974
0	0	0	799	630
0	0	0	9,022	40,436
0	0	0	850	700
0	56,074	0	56,074	0
0	1,263,147	0	1,263,147	1,253,294
0	169,380	0	169,380	53,024
0	396,131	0	396,131	171,218
0	225,180	0	225,180	43,159
0	4,332	0	4,332	2,924
0	257,806	0	257,806	193,350
0	0	619,334	619,334	209,009
0	0	1,438,603	1,438,603	1,387,794
<u>\$ 2,199</u>	<u>\$ 2,372,050</u>	<u>\$ 2,057,937</u>	<u>\$ 6,107,855</u>	<u>\$ 4,646,111</u>

continued

Los Angeles County Transportation Commission
 Combined Balance Sheet – All Fund Types and Account Groups
 June 30, 1992
 (With comparative totals for June 30, 1991)
 (Amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Equity and Other Credit				
Liabilities:				
Accounts payable	\$ 4,543	\$ 12,938	\$ 57	\$ 70,338
Accrued salaries	356	0	0	476
Compensated absences payable	340	0	0	511
Claims and judgments payable	0	0	0	0
Due to other governments	0	496	0	0
Due to other funds	0	0	0	32,261
Accrued interest payable	0	0	53,942	0
Interfund payables	2,914	0	0	12,200
Revenue bonds payable	0	0	11,545	0
Deferred compensation benefits payable	0	0	0	0
Deferred revenue – leases	0	0	0	400
Other liabilities	0	0	0	80
Total liabilities	8,153	13,434	65,544	116,266
Equity and Other Credit:				
Investment in general fixed assets	0	0	0	0
Fund balances:				
Reserved for encumbrances	0	513	0	204,207
Reserved for note receivable	344	0	0	0
Reserved for note receivable (non current) portion of loan	0	5,028	0	0
Reserved for resale property	150	0	0	700
Reserved for prepaid items	0	0	0	799
Reserved for debt service	0	0	619,334	0
Reserved for construction	0	0	59,773	0
Reserved for SB1995 Trust	0	0	0	0
Reserved for Metrorail Agreement	0	0	0	0
Reserved for issuance costs	0	0	235	0
Reserved for contingencies	0	0	0	0
Reserved for special purposes	0	0	0	0
Unreserved, undesignated	(1,038)	601,541	0	(19,314)
Total equity and other credit	(544)	607,082	679,342	186,392
Total liabilities, equity and other credit	\$ 7,609	\$ 620,516	\$ 744,886	\$ 302,658

The notes to the financial statements are an integral part of this statement.

Exhibit 1
continued

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	Trust and Agency	General Fixed Assets	General Long-Term Debt	1992
\$ 0	\$ 0	\$ 0	\$ 87,876	\$ 81,772
0	0	0	832	355
0	0	568	1,419	864
0	0	0	0	20,054
0	0	0	496	17,383
0	0	0	32,261	47,974
0	0	0	53,942	25,440
25	0	0	15,139	39,938
0	0	2,057,369	2,068,914	1,596,457
2,174	0	0	2,174	1,374
0	0	0	400	0
0	0	0	80	44
<u>2,199</u>	<u>0</u>	<u>2,057,937</u>	<u>2,263,533</u>	<u>1,831,655</u>
0	2,372,050	0	2,372,050	1,716,969
0	0	0	204,720	246,510
0	0	0	344	343
0	0	0	5,028	0
0	0	0	850	700
0	0	0	799	630
0	0	0	619,334	209,009
0	0	0	59,773	349,779
0	0	0	0	51,966
0	0	0	0	20,832
0	0	0	235	270
0	0	0	0	40,926
0	0	0	0	7,730
0	0	0	581,189	168,792
0	2,372,050	0	3,844,322	2,814,456
<u>\$ 2,199</u>	<u>\$ 2,372,050</u>	<u>\$ 2,057,937</u>	<u>\$ 6,107,855</u>	<u>\$ 4,646,111</u>

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Los Angeles County Transportation Commission
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances
 All Governmental Fund Types
 For the fiscal year ended June 30, 1992
 (With comparative totals for the fiscal year ended June 30, 1991)
 (Amounts expressed in thousands)

Exhibit 2

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1992	1991
Revenues:						
Sales taxes	\$ 0	\$ 720,348	\$ 0	\$ 0	\$ 720,348	\$ 442,932
Licenses/fines	0	6,611	0	0	6,611	6,023
Intergovernmental	2,348	20,206	4,845	303,559	330,958	231,693
Interest	335	20,349	20,939	6,396	48,019	50,639
Construction services cost sharing	0	0	0	926	926	2,450
Miscellaneous	229	0	0	4,894	5,123	8,316
Total revenues	2,912	767,514	25,784	315,775	1,111,985	742,053
Expenditures:						
Current:						
Administration	31,131	9,260	0	0	40,391	21,370
Transportation subsidy	0	328,870	0	0	328,870	281,574
Capital outlay	2,122	0	0	666,954	669,076	824,402
Debt service:						
Interest and fiscal charges	0	0	110,090	0	110,090	56,924
Bond issuance costs	0	0	1,788	0	1,788	0
Bond discount	0	0	18,431	0	18,431	11,342
Bond principal	0	0	12,592	0	12,592	586
Bond insurance	0	0	3,507	0	3,507	0
Financing costs	0	0	3,498	0	3,498	0
C.O.P. transit development	0	0	25,402	0	25,402	0
Commercial paper retirement	0	0	177,000	0	177,000	0
Total expenditures	33,253	338,130	352,308	666,954	1,390,645	1,196,198
Excess (deficiency) of revenues over expenditures	(30,341)	429,384	(326,524)	(351,179)	(278,660)	(454,145)
Other Financing Sources (Uses):						
Operating transfers in	28,696	64,450	159,887	313,049	566,082	604,607
Operating transfers out	0	(135,925)	(341,524)	(88,633)	(566,082)	(604,607)
Proceeds from financing	0	0	628,445	25,000	653,445	878,000
Total other financing sources (uses)	28,696	(71,475)	446,808	249,416	653,445	878,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,645)	357,909	120,284	(101,763)	374,785	423,855
Fund balances, July 1	1,101	249,173	559,058	288,155	1,097,487	673,632
Fund balances, June 30	\$ (544)	\$ 607,082	\$ 679,342	\$ 186,392	\$ 1,472,272	\$ 1,097,487

The notes to the financial statements are an integral part of this statement.



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Leading the Way to Greater Mobility

Los Angeles County Transportation Commission
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General, Certain Special Revenue, and Capital Projects Funds
 For the fiscal year ended June 30, 1992
 (Amounts expressed in thousands)

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Licenses/fines	\$ 0	\$ 0	\$ 0
Intergovernmental	2,235	2,348	113
Interest	36	335	299
Construction services cost sharing	0	0	0
Miscellaneous	0	229	229
Total revenues	2,271	2,912	641
Expenditures:			
Current:			
Administration	48,018	31,131	16,887
Transportation subsidy	0	0	0
Capital outlay	1,275	2,122	(847)
Total Expenditures	49,293	33,253	16,040
Excess (deficiency) of revenues over expenditures	(47,022)	(30,341)	16,681
Other Financing Sources (Uses):			
Operating transfers in	47,022	28,696	(18,326)
Operating transfers out	0	0	0
Proceeds from financing	0	0	0
Total other financing sources (uses)	47,022	28,696	(18,326)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	0	(1,645)	(1,645)
Fund balances, July 1	1,101	1,101	0
Fund balances, June 30	\$ 1,101	\$ (544)	\$ (1,645)

The notes to the financial statements are an integral part of this statement.

Exhibit 3

Certain Special Revenue Funds			Capital Projects Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 6,498	\$ 6,510	\$ 12	\$ 0	\$ 0	\$ 0
3,151	324	(2,827)	427,113	303,559	(123,554)
696	986	290	0	6,396	6,396
0	90	90	0	926	926
0	0	0	4,923	4,894	(29)
<u>10,345</u>	<u>7,910</u>	<u>(2,435)</u>	<u>432,036</u>	<u>315,775</u>	<u>(116,261)</u>
6,934	8,891	(1,957)	0	0	0
42,442	38,940	3,502	0	0	0
8,076	0	8,076	955,542	666,954	288,588
<u>57,452</u>	<u>47,831</u>	<u>9,621</u>	<u>955,542</u>	<u>666,954</u>	<u>288,588</u>
<u>(47,107)</u>	<u>(39,921)</u>	<u>7,186</u>	<u>(523,506)</u>	<u>(351,179)</u>	<u>172,327</u>
40,104	35,892	(4,212)	406,673	313,049	(93,624)
0	0	0	0	(88,633)	(88,633)
0	0	0	0	25,000	25,000
<u>40,104</u>	<u>35,892</u>	<u>(4,212)</u>	<u>406,673</u>	<u>249,416</u>	<u>(157,257)</u>
(7,003)	(4,029)	2,974	(116,833)	(101,763)	15,070
17,032	17,032	0	288,155	288,155	0
<u>\$ 10,029</u>	<u>\$ 13,003</u>	<u>\$ 2,974</u>	<u>\$ 171,322</u>	<u>\$ 186,392</u>	<u>\$ 15,070</u>



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Leading the Way to Greater Mobility

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

June 30, 1992

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Los Angeles County Transportation Commission (Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles for governments. The more significant of the Commission's accounting policies are described below.

A. Reporting Entity

The Commission was established in 1977 under the State of California Transportation Development Act. The Commission's purpose is to coordinate the operation of all public transportation services within the County of Los Angeles. The Commission consists of an 11-member board composed of:

- The five Los Angeles County Supervisors;
- The Mayor of the City of Los Angeles;
- Two members appointed by the Mayor of the City of Los Angeles: a member of the City of Los Angeles City Council, and, traditionally, a private citizen;
- A member of the Long Beach City Council; and
- Two city council members appointed by the League of California Cities to represent other cities within the county.

Funding for the Commission is provided primarily through the County voter-approved Propositions A and C, each of which provides an additional one-half cent sales tax to fund improvements for public transit. The Commission is also responsible for administering the funds provided through the State Transit Assistance Program and the Los Angeles County Service Authority for Freeway Emergencies which have been determined to be component financial reporting units of the Commission. As the Board of Commissioners exercises financial

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

and management oversight responsibility over these component units, they have been included as part of the reporting entity and are presented in the accompanying financial statements. Oversight responsibility was determined based on selection of governing authority and the ability to significantly influence management and accountability for fiscal matters. Other governmental entities provide services within the County of Los Angeles, however, these entities are governed by independently elected boards and are not considered within the scope of the Commission's general purpose financial statements. The Commission is a separate entity from both the County and the City of Los Angeles, each of which have independently elected boards.

The Los Angeles County Rail Construction Corporation (RCC), which was established by the Commission in 1988 as a subsidiary of the Commission for the purpose of managing rail construction projects in Los Angeles County, was activated in August 1989. The Board of RCC was delegated authority by the Commission to be responsible for the design and construction of Los Angeles County rail projects. RCC's personnel consists of Commission staff members appointed by the Executive Director of the Commission. The activities of RCC are accounted for within and by the Commission.

The Los Angeles County Transportation Land Preservation Corporation, established by the Commission March 27, 1991, as a subsidiary of the Commission for the purpose of acceptance and maintenance of gifts and donations of real and personal property to be used for public transit purposes. The Corporation was formed exclusively for charitable purposes within the meaning of Section 501 (c) 3 of the Internal Revenue Code of 1986. The activities of the corporation are accounted for as an Expendable Trust Fund of the Commission.

Under the terms of State Assembly Bill 152, the Commission and the Southern California Rapid Transit District (SCRTD) will merge on April 1, 1993 to form the Los Angeles County Metropolitan Transportation Authority. The SCRTD currently provides over 80% of the bus service within Los Angeles County. See Note 17.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

B. Fund Accounting

The Commission utilizes fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. The Commission does not have any proprietary type funds at this time.

The Commission also utilizes account groups which are financial reporting devices designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Governmental funds are used to account for most of the Commission's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The Commission's general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Commission. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund, or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the Commission is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the Commission holds on behalf of others as their agent.

Account Groups are used to account for and control the Commission's general fixed assets and general long-term debt.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. Within this

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). The term "measurable" is interpreted to refer to whether the amount of the transaction can be determined, and the term "available" is interpreted to refer to being collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. The Commission considers sales taxes and interest revenues to be susceptible to accrual when collection is expected within thirty days. The Commission considers grant funds to be susceptible to accrual when billed. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

D. Budgets

The Commission employs the following practices and procedures in establishing the budgetary data on a basis consistent with generally accepted accounting principles as reflected in the general purpose financial statements:

- The Commission's Executive Director submits a proposed budget to the Board of Commissioners by the last meeting in April.
- Public hearings are conducted to obtain public comments on the proposed budget prior to its adoption by the Board at its last meeting in June.
- Annual budgets are adopted on a basis consistent with the modified accrual basis of accounting for the general fund, certain special revenue funds (Transportation Development Act Administration, Service Authority for Freeway Emergencies, PVEA, and Rail Start-Up), and the capital projects funds. Budgets are not adopted for the other special

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

revenue funds or the debt service fund, as these funds are controlled by statute, special agreements, or bond indentures. Special revenue funds which may be established during a fiscal year are considered for budgetary action in the ensuing fiscal year.

- The level of control over appropriations is at the fund level. The Commission's Executive Director is authorized to transfer appropriations between cost centers within any fund. Budget revisions that alter the total expenditures of any fund must be approved by the Board of Commissioners. Budget amounts as reflected in the financial statements represent the final adjusted amounts (including supplementary appropriations which were not material in amount). The adjusted budgetary figures do not vary significantly from the original budget as adopted.
- The Commission records encumbrances for purchase orders, contracts and other commitments for the expenditure of resources to reserve that portion of the applicable appropriations. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.
- Unexpended annual appropriations lapse at year-end.

A reconciliation of the Special Revenue Funds' differences between the budgetary statement and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances shows the following (in thousands):

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

	Combined Statement of Revenues, Expenditures and Changes in <u>Fund Balances</u>	Unbudgeted Special <u>Revenue Funds</u>	Combined Budgetary Statement <u>Actual</u>
Total revenues	\$767,514	\$759,604	\$ 7,910
Total expenditures	<u>338,130</u>	<u>290,589</u>	<u>47,541</u>
Excess (deficiency) of revenues over expenditures	429,384	469,015	(39,631)
Total other financing sources (uses)	<u>(71,475)</u>	<u>(107,367)</u>	<u>35,892</u>
Excess (deficiency) of revenues and other financing sources over expenditures & other financing uses	357,909	361,648	(3,739)
Fund balances July 1, 1991	<u>249,173</u>	<u>232,141</u>	<u>17,032</u>
Fund balances June 30, 1992	<u>\$ 607,082</u>	<u>\$ 593,789</u>	<u>\$ 13,293</u>

E. Investments

Investments are stated at cost, except for investments in the deferred compensation agency fund that are reported at market value.

F. Prepaid Expenditures

Payments made for insurance and to vendors for services that will benefit periods beyond June 30, 1992 are recorded as prepaid expenditures.

G. General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. Insofar as infrastructure assets are constructed as part of the Commission's systems of rail

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Notes to the Financial Statements

lines, they are also reported in the general fixed asset account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Assets in the general fixed asset account group are not depreciated.

It is the policy of the Commission to accumulate the costs incurred in the construction of the Metro Rail projects, designated Metro Red Line Segment One (MOS-1) and Metro Red Line Segment Two (MOS-2), within its general fixed asset group of accounts. While the status of primary grantee for MOS-1 rested with the SCRTD prior to October 8, 1992 (see Note 18), the Commission believes that its responsibility as project manager for MOS-1 and MOS-2 is to maintain the historical costs of construction which have accumulated since the Commission's assumption of that role. Such costs, aggregating \$396 million and \$225 million for MOS-1 and MOS-2, respectively, are disclosed through separate recording in the general fixed asset group of accounts.

H. Compensated Absences

Commission employees accrue vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days. Employees are not reimbursed for unused sick leave.

The cost of accumulated vacation pay which is expected to be from currently available resources is recorded as an expenditure and a fund liability in the governmental fund which will pay it. Vacation pay which is expected to be liquidated in subsequent fiscal years is reported in the general long-term debt account group.

J. Pension Plans

The Commission provides a defined benefit pension plan for its employees through the California Public Employees' Retirement System (PERS). It is the Commission's policy to fund normal costs, plus the employees' contribution.

K. Total Columns - Memorandum Only

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to

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Notes to the Financial Statements

facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation, since interfund eliminations have not been made.

L. Comparative Data

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Commission's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

(2) CASH AND INVESTMENTS

Cash and investments at June 30, 1992 consisted of the following (in thousands):

Cash accounts including savings & money market accounts	\$ 13,193
Pledged certificates of deposit (Note 14)	7,500
Los Angeles County Treasurer's Investment Pool	639,332
Deferred compensation plan: held by fiscal agent	2,174
Restricted cash & investments: held by fiscal agents	<u>731,761</u>
TOTAL	<u>\$ 1,393,960</u>

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

Cash and Non-Negotiable Certificates of Deposit

At June 30, 1992, the net carrying amount of the Commission's deposits was \$20,692,202 while the bank balance was \$45,386,158. Of the bank balance, \$100,000 was covered by federal depository insurance and \$45,286,158 was covered by collateral held in the pledging bank's trust department or agent in the Commission's name.

The California Government Code requires California financial institutions to secure deposits of public funds by pledging government securities as collateral. Such collateralization of public funds is accomplished by pooling. The market value of pledged securities must equal at least 100% of the public funds deposits. California law also allows financial institutions to secure public funds deposits by pledging first trust deed mortgage notes having a value of 150% of a governmental unit's total deposits. (The Commission may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation.)

Authorized Investments

The Commission invests its temporarily idle cash under the prudent investor rule (Civil Code Section 2261). The prudent investor rule states, in essence, that "in investing...property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstances then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs..."

This affords the Commission a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq.

Investments may be made using the following instruments:

- Securities of the U.S. Government or its agencies
- Certificates of deposit (or Time Deposits) placed with commercial banks and/or savings and loans
- Bankers' Acceptances

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Notes to the Financial Statements

- State of California Local Agency Investment Fund or other authorized pooled investment programs
- Passbook Savings Account Demand Deposits
- Money Market Accounts
- Commercial Paper

Cash and Investments - Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The market value of the plan assets at June 30, 1992 was \$2,173,770. Additional information about this plan is presented in another note herewith.

Summary of Investments

The investments of the Commission that are represented by specific identifiable investment securities are classified as to credit risk by three categories as follows: Category 1 investments include investments that are insured or registered or for which securities are held by the Commission or its agent in the Commission's name; Category 2 investments include uninsured and unregistered investments for which the securities are held by the counterpart's trust department or agent in the Commission's name; and Category 3 investments include uninsured and unregistered investments for which the securities are held by the broker or dealer in safekeeping. The following is a summary of the investments of the Commission.

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Notes to the Financial Statements

INVESTMENTS
(In Thousands)

	Category			Not Required To Be Categorized	Carrying Value	Market Value
	1	2	3			
Risk category: Federal agency securities	\$ 0	\$ 481,792	\$ 0	\$ 0	\$ 481,792	\$ 498,009
Los Angeles County Treasurer's Investment Pool	0	0	0	639,332	639,332	639,332
Money Market Accounts	0	0	0	270,662	270,662	270,716
Pooled Deferred Compensation Plan	0	0	0	2,174	2,174	2,174
Total investments	\$ 0	\$ 481,792	\$ 0	\$ 912,168	\$1,393,960	\$1,410,231

(3) NOTES RECEIVABLE

During the 1989 fiscal year, the Commission entered into an agreement to lend the Executive Director \$350,000, to be repaid in equal monthly installments in an amount sufficient to fully amortize the note over a term of thirty (30) years. The note is secured by a recorded first deed of trust on the real property for which the note was made. Interest on the note shall be adjusted annually at a rate equal to the rate of return of the Commission's investments over the previous six (6) month period. The interest payments will be forgiven during the five (5) year term of the Executive Director's employment agreement. The balance of the principal shall be due and payable upon the sale of the property, or the refinancing of the note, or within two (2) years of the expiration of the five (5) year term of the employment agreement, or within two (2) years of employee's earlier termination or resignation, whichever occurs first.

In August 1989, the Commission loaned \$6,900,000 to the City of Santa Monica for the acquisition of a land parcel to be used for rail transit. Repayments on the principal of \$431,250 plus interest on the note receivable are being made semi-annually over a period of eight years which began December 31, 1989. The interest rate is recalculated each November 30th and May 31st for the preceding six months, based

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on the interest rate the Commission would have earned from the Los Angeles County Treasurer's pooled investment fund. The principal balance of the note at June 30, 1992 was \$4,312,500.

In June 1992, the Commission loaned \$634,000 to the City of Claremont pursuant to the terms of the Commuter Rail Loan Agreement between the two aforementioned parties dated October 22, 1991. Repayments on the principal and interest of the note receivable shall be made in five annual installments to commence June 1993. The first year's payment shall be 20 percent of the outstanding principal balance plus accrued interest. The second year's payment shall be 25 percent of the outstanding principal balance plus accrued interest. The third year's payment shall be 33 and 1/3 percent of the outstanding principal balance plus accrued interest. The fourth year's payment shall be 50 percent of the outstanding principal balance plus accrued interest. The fifth year's payment shall be all the remainder of the outstanding principal balance plus accrued interest. Interest on the note shall be adjusted monthly at a rate equal to the rate of return of the Commission's investments plus 1/2 of a percentage point.

In June 1992, the Commission loaned \$800,000 to the City of El Monte pursuant to the terms of the Commuter Rail Loan Agreement entered into between the two aforementioned parties in November 1991. No security is pledged by the City of El Monte for the repayment of the note to the Commission. Repayments on the principal and interest of the note receivable shall be made in five annual installments to commence June 1993. Each year's note repayment shall consist of \$160,000 principal repayment plus accrued interest. Interest on the note shall be adjusted monthly at a rate equal to the rate of return of the Los Angeles County Pooled Investment Fund rate plus 1/2 of a percentage point.

(4) INTEREST IN REAL ESTATE HELD FOR RESALE

The Commission has entered into shared equity agreements with, and made housing assistance payments to, certain employees totalling \$850,000, as part of individual incentive and compensation benefits packages. The shared equity agreements provide for the employees and the Commission to acquire, as tenants in common, certain real properties to be occupied in each instance by the new employee as a residence. Each agreement sets forth the separate ownership interest of the

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Commission and the employee, as a percentage undivided interest in the property. This percentage reflects the relationship of the Commission's monetary advance to the total purchase cost as determined in escrow. Among other things, the agreement provides for "termination events" (such as employee's termination, death, and default) in which instance the property would be sold, and the Commission would be repaid its original contribution, plus its share of any additional proceeds (net of the employee's contributions), on the basis of its undivided interest.

(5) GENERAL FIXED ASSETS

A summary of changes in the general fixed assets account group during the fiscal year follows (in thousands):

	Balance July 1, 1991	Additions	Transfers	Balance June 30, 1992
Land	\$ 475,179	\$ 0	\$ 0	\$ 475,179
Rail Lines and Site Improvements	479,274	0	0	479,274
Buildings/Stations	165,308	0	4,965	170,273
Light Rail Vehicles	87,574	0	0	87,574
Other Equipment	45,126	4,116	0	49,242
Leasehold Improvements	833	772	0	1,605
Equity in J.P.A./SCRRRA: Contributed Capital	0	56,074	0	56,074
Construction In Progress:				
Metro Green Line	53,024	116,356	0	169,380
Metro Rail, MOS-1	171,218	224,913	0	396,131
Metro Rail, MOS-2	43,159	182,021	0	225,180
Metro Rail, MOS-3	2,924	1,408	0	4,332
Other Construction	<u>183,350</u>	<u>69,421</u>	<u>(4,965)</u>	<u>\$ 257,806</u>
Total	<u>\$ 1,716,969</u>	<u>\$ 655,081</u>	<u>\$ 0</u>	<u>\$ 2,372,050</u>

(6) RISK MANAGEMENT

The primary emphasis of risk management activities in the Commission is to prevent or minimize the risk of injury to persons and damage to or loss of property. Where losses cannot be prevented, the Commission endeavors to self-insure or to assume such losses as it may deem advisable and

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economical, giving due consideration to the frequency and severity of probable losses. Determination of the appropriate level of loss to be retained is made on an annual basis. This consideration of the effect of potential self-insured or assumed losses is part of the Commission's financial planning process. The Commission also makes provision to insure its risk of accidental loss from construction through an owner-controller insurance program (OCIP). Such package of policies provides property, liability, and workers' compensation insurance. This covers many of the risks arising from construction of the Metro Rail segments, the Green Line, and the Commuter Rail Lines for the interests of the Commission and the contractors and subcontractors in their work on such Commission projects. The Commission non-construction activities are insured for workers' compensation, general liability, rolling stock, public officials liability, and automobile liability.

(7) LEASE OBLIGATIONS

Operating Leases

The Commission leases its office space under non-cancelable operating leases which expire at various dates through fiscal year 2000. Rental payments for such leases were \$5,980,819 for the year ended June 30, 1992. Future minimum rental payments for future fiscal years ending June 30, in thousands, are:

1993	7,450
1994	7,674
1995	7,924
1996	8,196
1997	8,483

(8) LONG-TERM DEBT

Sales Tax Revenue Bonds

On July 31, 1986 the Commission issued a total of \$707,615,000 in Sales Tax Revenue Bonds in five separate series. On May 27, 1987, the Commission issued \$271,550,000 original principal amount of Sales Tax Revenue Refunding Bond, Series 1987-A (Series 1987 Bonds). All of the Series 1987 Bonds are currently outstanding. The Series 1987 Bonds were issued to refund the Sales Tax Revenue Bonds, Series 1986-B.

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Notes to the Financial Statements

On May 12, 1988, the Commission issued \$112,274,128 Sales Tax Revenue Refunding Bonds, Series 1988-A (Series 1988 Bonds). The Series 1988 Bonds were issued to refund the Sales Tax Revenue Bonds, Series 1986-C. All of the Series 1988 Bonds are currently outstanding.

On January 1, 1989, the Commission issued \$174,303,858 Sales Tax Revenue Refunding Bonds, Series 1989-A (Series 1989 Bonds). The Series 1989 Bonds were issued to refund the Sales Tax Revenue Bonds, Series 1986-D. All of the Series 1989 Bonds are currently outstanding.

After the above three refunding issues, \$155,205,000 are currently outstanding from the original \$707,615,000 1986 Sales Tax Revenue Bonds.

In June 1991, the Commission issued \$500,000,000 of Sales Tax Revenue Bonds, Series 1991-A. The proceeds of the Series 1991-A Bonds was used for the acquisition of certain right-of-way properties deemed necessary to the rail system, the construction of commuter rail lines, the construction of portions of the Metro Green line, the acquisition of rolling stock for the rail system and the payment of approximately \$100,000,000 of the outstanding Commercial Paper Notes. All of the \$500,000,000 are currently outstanding.

On December 4, 1991 the Commission issued \$281,425,000 of Sales Tax Revenue Refunding Bonds, Series 1991-B. The proceeds of the Series 1991-B Bonds have been held in the Series 1986-A, Series 1987 and Series 1988 Escrow Fund (Refunding Escrow Fund) created under the terms of an Escrow Agreement. Such amounts held under the Escrow Agreement, together with earnings held thereon, will be used to pay \$177,330,000 principal amount of the Series 1987 Bonds on July 1, 1997 and \$67,567,020 principal amount of the Series 1988 Bonds on July 1, 1998. In addition, interest due on the Refunded Bonds prior to their respective pre-payment dates will be paid from amounts on deposit in the Refunding Escrow Fund. Principal on the Series 1987 Bonds in the amount of \$1,800,000 and the Series 1988 Bonds in the amount of \$2,345,000 due on July 1, 1992, as well as the interest with respect to such bonds, was paid from funds held under the Escrow Agreement.

In June 1992, the Commission issued \$98,700,000 in Sales Tax Revenue Refunding Bonds, Series 1992-A. The proceeds of the Series 1992-A Bonds have also been held in the Refunding

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Notes to the Financial Statements

Escrow Fund. Such amounts held under the Escrow Agreement, together with earnings held thereon, will be used to refund a portion of the principal of the Series 1986-A Bonds, Series 1987 Bonds and Series 1988 Bonds.

The Commission also issued in June 1992 \$107,665,000 of Sales Tax Revenue Refunding Bonds, Series 1992-B. The proceeds of the Series 1992-B Bonds have also been held in the Refunding Escrow Fund. Such amounts held under the Escrow Agreement, together with earnings held thereon, will be used to refund a portion of the principal of the Series 1986-A Bonds, Series 1987 Bonds and Series 1988 Bonds.

The Series 1991-B, 1992-A and 1992-B refunding issues referred to above did not result in a defeasance of debt related to the Series 1986-A Bonds, the Series 1987 Bonds and the Series 1988 Bonds. These three refunding issues produced resources that are being held in the Refunding Escrow Fund and will be used to pay a portion of the old debt at a later date, reducing the Commission's debt service requirements.

All of the bonds are secured by a pledge of sales tax revenues. They are subject to redemption at the option of the Commission commencing on any interest payment date after July 1, 1996 at redemption prices ranging from 100% to 103%.

Leveraged Lease Revenue Bonds

During the 1989-90 fiscal year, the Commission entered into two lease arrangements for the acquisition of thirty two (32) light rail cars. The financing program provided for the Commission to purchase the light rail cars, sell them to a leasing agent, formed under the laws of Japan, and lease them back. Basic provisions of the financing program called for the purchase price paid by the leasing agent to be paid 80% in U.S. Dollars and 20% in Yen; lease payments were to be paid in a like manner. These two transactions were defeased prior to June 30, 1990 and do not appear in the Commission's financial statements.

In December 1990, the Commission entered into a third lease financing arrangement, similar to the first two, for an additional twenty two (22) light rail cars at a cost of \$33,000,000. Of this amount, 80% (\$26,400,000) was in U.S. Dollars and 20% (\$6,600,000) was in Yen. In June 1991, the U.S. Dollar portion of the lease was assigned as security for the issuance of \$26,400,000 of Lease Revenue Bonds. The

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remaining \$6,600,000 represents the obligation payable in Yen with a guaranteed conversion rate of dollars to yen. The lease arrangement has a purchase option equal to 10% of the original financing (\$3,300,000) which is payable at the end of the lease term.

Lease Revenue Bonds and the Yen obligation are secured by a subordinate lien pledge of certain sales tax revenues, derived from Proposition A, after satisfaction of debt service on Sales Tax Revenue Bonds.

Certificates of Participation 1992 Series B

In June 1992, the Commission issued \$118,375,000 in Certificates of Participation, 1992 Series B, to finance the acquisition of 333 buses and related equipment to be leased and operated by the SCRTD. The Certificates are obligations of the Commission and the Commission is required to make lease payments. The lease payments are payable from certain Federal Transit Administration (FTA) Section 9 Capital Grant Funds received by the Commission and the SCRTD and the SCRTD's Transportation Development Act funds which shall be withheld by the Commission from the SCRTD as described in the Memorandum of Understanding (MOU) by and between the Commission and the SCRTD.

The Commission is required to deposit with the Trustee the principal and interest on the Certificates due on each January 1 and July 1, on or before the immediately preceding July 2.

Certificates of Participation - 1992, Series G

In October 1991, the Commission in association with the California Special Districts Association (CSDA), issued \$19,340,000 of Certificates of Participation for the purpose of providing supplementary financing for the procurement of sixty (60) over-the-road buses and twenty-six (26) local fixed-route buses. The Commission is obligated to make lease payments to CSDA and subsequently sub-lease the buses to the Cities of Los Angeles and Santa Clarita and the County of Los Angeles. These entities are required to make payments that will equal the amount of the Commission's lease payments to the CSDA. Additional funding for the projects includes a \$2.3 million contribution by the Commission and a \$4.8 million federal grant. In the event that the amount received by the Commission from the cities of Los Angeles and Santa Clarita

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Notes to the Financial Statements

and the County of Los Angeles under the sub-lease is insufficient to make its lease payment to the CSDA, the Commission is required to use any other legally available funds to make such lease payments.

Outstanding Bonded Debt Summary

At June 30, 1992, the Commission had outstanding debt as shown below:

\$157,615,000 Sales Tax Revenue Bonds, 1986 series A, dated July 15, 1986, serial bond due in annual installments from \$2,410,000 on July 1, 1992 up to \$12,805,000 on July 1, 2016. Interest at various annual rates ranging from 6.2% to 7.5% is payable semi-annually on January 1 and July 1. \$157,615,000

\$271,550,000 Sales Tax Revenue Refunding Bonds, 1987 series A, dated May 1, 1987, due in annual installments from \$3,790,000 beginning on July 1, 1992 to \$22,995,000 on July 1, 2017. Interest at various annual rates ranging from 6.0% to 7.9% is payable semi-annually on January 1 and July 1. 271,550,000

\$112,274,129 Sales Tax Revenue Refunding Bonds, 1988 series A, dated May 1, 1988, due in annual installments including annual sinking fund payment from \$2,345,000 on July 1, 1992 to \$9,535,000 on July 1, 2018. Interest at various annual rates ranging from 5.6% to 7.3% is payable semi-annually on January 1 and July 1. 112,274,129

\$174,303,858 Sales Tax Revenue Refunding Bonds, 1989 series A, dated January 1, 1989, due in annual installments including annual sinking fund payments from \$3,000,000 on July 1, 1992 to \$14,140,000 on July 1, 2019. Interest at various annual rates ranging from 6.2% to 7.3% is payable semi-annually on January 1 and July 1. 174,303,858

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\$500,000,000 Sales Tax Revenue Bonds, 1991 Series A, dated June 11, 1991 due in annual installments from \$4,040,000 on July 1, 1996 to \$93,730,000 on July 1, 2021. Interest at various annual rates from 5.85% to 7.00% is payable semi-annually on January 1, and July 1. 500,000,000

\$281,425,000 Sales Tax Revenue Refunding Bonds, 1991 Series B, dated December 4, 1991, due in annual installments from \$550,000 on July 1, 1993 to \$9,700,000 on July 1, 2018. Interest at various annual rates from 4.9% to 6.5% is payable semi-annually on January 1, and July 1. 281,425,000

\$98,700,000 Sales Tax Revenue Refunding Bonds, 1992 Series A dated June 1, 1992, due in annual installments including annual sinking fund payments from \$16,200,000 on July 1, 2005 to \$10,000,000 on July 1, 2012. Interest at various annual rates ranging from 2.2% through June 23, 1992 and variable thereafter, at a weekly interest rate determined by the Municipal Index Market. Interest is payable semi-annually on January 1, and July 1. 98,700,000

\$107,665,000 Sales Tax Revenue Refunding Bonds, 1992 Series B dated June 1, 1992, due in annual installments including annual sinking fund payments from \$3,365,000 on July 1, 1997 to \$15,305,000 due July 1, 2004. Interest at various annual rates from 5.0% to 6.0% is payable semi-annually on January 1, and July 1. 107,665,000

\$26,400,000 Lease Revenue Bonds, 1990 Series, dated December 27, 1990, due in semi-annual installments from \$396,000 at December 15, 1992 to \$2,332,000 at December 15, 2006. Interest at 7.375% annually is payable semi-annually on June 15, and December 15. (Included herein is the aforementioned \$3,300,000 purchase option.) 28,798,000

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\$6,600,000 Yen obligation, payable in semi-annual installments commencing June 15, 1991 through December 15, 2006. Principal amounts vary and provide for negative amortization for the semi-annual payments of June 15, 1994 through June 15, 2001, and for June 15, 2005. Interest at 4.94% annually is payable semi-annually on each June 15, and December 15.

5,868,438

TOTAL BONDED DEBT

\$1,738,199,425

Commercial Paper Notes

The Commission issued \$345,000,000 in Commercial Paper Notes, Series A in the fiscal year ending June 30, 1991. The Notes are special subordinate obligations of the Commission payable secured by various letters of credit in an aggregate amount of \$350,000,000 to support the payment of principal and interest when due.

During the current fiscal year, 1991-92, the Commission paid off \$177,000,000 of Commercial Paper debt as reported in the debt service fund and reissued an additional \$25,000,000 of Commercial Paper Notes, leaving an outstanding balance of \$193,000,000 reported in the Long Term Debt Account Group.

Although the individual notes are short-term with maturities (at June 30, 1992) ranging from seven to two hundred days at interest rates ranging from 3.25% to 4.35% per annum (payable at each maturity) it is the intention of the Commission to pay the accrued interest and roll-over or reissue the principal amounts as they mature through January 28, 1994 and thereafter on a year by year basis. Accordingly, the Commission has recorded the notes as long-term debt.

Advance Refunding and Defeasance of Debt

In prior years, the Commission advance refunded the 1986-B, 1986-C, 1986-D and 1986-E series Sales Tax Revenue Bonds by issuance of Sales Tax Revenue Refunding Bonds, in order to extend the ultimate maturity of the original bonds by 30 years. The proceeds of the issued bonds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.

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Accordingly, the trust account assets and the liabilities for such defeased bonds are not included in the Commission's financial statements. In the current fiscal year the Commission issued three refunding issues, 1991-B, 1992-A, and 1992-B, these refundings did not produce a defeasance of debt, but they will produce resources that will be held in escrow to pay off a portion of the old debt at a later date.

Compensated Absences Payable

During the fiscal year ended June 30, 1992, employees earned vacation pay of \$1,197,941. Of such accrual (or as accrued in a prior year), employees were paid \$643,028 for vacations taken. At June 30, 1992, earned but unused vacation pay aggregated \$1,419,295, of which \$567,718 is anticipated to be liquidated in subsequent years.

Summary of Changes in Long-Term Liabilities

The following schedule summarizes the changes which occurred during the year ended June 30, 1992, in liabilities reported in the general long-term debt account group (amounts in thousands):

	<u>Balance at July 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30</u>
Sales Tax Revenue Bonds	\$1,215,743	\$ 487,790	\$ 0	\$ 1,703,533
Leveraged Lease Revenue Bonds	<u>35,714</u>	<u>0</u>	<u>1,047</u>	<u>34,667</u>
Total Bonded Debt	1,251,457	487,790	1,047	1,738,200
Commercial Paper Notes	345,000	25,000	177,000	193,000
Certificates of Participation	0	137,715	0	137,715
Compensated Absences Payable	<u>346</u>	<u>865</u>	<u>643</u>	<u>568</u>
TOTAL	<u>\$1,596,803</u>	<u>\$ 651,370</u>	<u>\$ 178,690</u>	<u>\$ 2,069,483</u>

Amortization Requirements

The annual requirements to amortize the bonds outstanding at June 30, 1992, including interest of \$1,232,395,000, are as follows (in thousands):

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

<u>Year Ending June 30</u>	<u>Amount</u>
1993	\$ 94,970
1994	94,233
1995	94,253
1996	98,303
1997	98,304
Thereafter	<u>2,478,987</u>
 TOTAL	 <u>\$2,959,050</u>

(9) INTERFUND ASSETS AND LIABILITIES

The following is a table summarizing receivables and payables between funds at June 30, 1992 (in thousands):

AMOUNTS DUE TO/DUE FROM OTHER FUNDS

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Light Rail	\$ 150
Metro Rail	Commuter Rail	4,229
Metro Rail	Light Rail	<u>27,882</u>
		<u>\$ 32,261</u>

INTERFUND LOANS

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Ridesharing	Commuter Rail	\$ 12,200
SAFE	General	2,914
Proposition A	Land Preservation	<u>25</u>
		<u>\$ 15,139</u>

(10) DEFINED BENEFIT PENSION PLAN

Plan Description

The Commission contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating public entities in California. The Commission's payroll for employees covered by PERS for the year ended June 30, 1992, was \$23,999,478 of a total payroll of approximately \$24,628,169.

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All full-time employees are eligible to participate in PERS, and become vested in the system after five years of service. Upon vesting, employees who retire at age 60 are entitled to receive an annual retirement benefit. The benefit is payable monthly for life, in an amount equal to 2% of the employee's average salary during the last year of employment for each year of credited service. The system also provides death and disability benefits.

During fiscal year 1992, the Commission's contribution rate was 13.948% of covered payroll. This includes the mandatory employee contributions of 7%, which have been assumed by the Commission. Effective July 1, 1992, the rate will be 13.655% of covered payroll. This rate comprises the following:

Employer current normal cost	6.440%
Death benefit normal cost	0.170
1959 survivor normal cost	0.045
Prior service unfunded liability	0.000
Employee normal cost	7.000
	<hr/>
Total	<u>13.655%</u>

PERS invests plan assets in a wide variety of investment vehicles including U.S. Government Securities, bonds, stocks, and other types of investment instruments. It is the policy of PERS to avoid third party investments of its plan employer participants. Plan investments conforming to California State laws have been determined to generally comply with Commission policy. Details of the PERS investment portfolio are published annually and may be found in the PERS annual report.

The term "pension benefit obligation" is a standardized disclosure measure of present value of pension benefits, as adjusted for the effects of projected salary increases and step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Commission's pension system on a going-concern basis, assessing progress made in accumulating sufficient assets to pay benefits when due and making comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Commission's pension system.

The pension benefit obligation has been computed as part of an actuarial valuation performed as of June 30, 1991, and

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

reflects all plan amendments adopted through June 30, 1991. Significant actuarial assumptions used in the valuation include:

- A rate of return on the investment of present and future assets of 8.75% per year compounded annually.
- Projected salary increases of 7% per year compounded annually, attributable to: inflation of 4.5%, additional projected merit increases of 1.75%, and other across the board increases of .75%.

The total net assets in excess of pension benefit obligation applicable to the Commission employees was \$632,891 at June 30, 1991, as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 276,421
Current Employees:	
Accumulated employee contributions including allocated investment earnings	3,200,819
Employer-financed vested	1,642,304
Employer financed non-vested	935,538
Total Pension Benefit Obligation	6,055,082
Net Assets available for benefits at cost (market value is \$5,293,514)	<u>6,687,973</u>
Net Assets in Excess of Pension Benefit Obligation	<u>\$ 632,891</u>

For its valuation purposes and to determine a basis for funding contributions, PERS continues to use the Entry Normal Age Actuarial Cost Method. This method is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future, as well as those already accrued.

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. PERS uses a modification of the Entry Age Cost

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

Method in which the Commission's total normal cost is expressed as a level percent of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability expires in the year 2006.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation, as previously described. There were no material changes in the basic actuarial assumptions used in this calculation in the prior year.

The total contribution to PERS for the year ended June 30, 1992 was approximately \$3,312,848, all of which was attributable to the Commission. Such contributions were made in accordance with actuarially determined requirements as computed by the latest PERS actuarial valuation. These pension contributions for normal costs include the employees' portion of \$3,200,819.

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Historical information is important to assist readers of the financial statements in assessing the Commission's progress in accumulating sufficient resources with PERS to pay pension benefits as they become payable. Such information is now being accumulated; however, historical information for periods prior to 1987 is not available.

**REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS
(In Thousands)**

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits</u>	<u>Pension Benefit Obligation</u>	<u>% Funded</u>	<u>Net Assets in Excess of Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>	<u>Net Assets in Excess of Pension Benefit Obligation As a % of Covered Payroll</u>	<u>Total Contributions</u>	<u>Contributions as a % of Annual Covered Payroll</u>
87	\$2,1864	\$1,424	153.4%	\$759	\$3,843	19.8%	\$ 471	12.3%
88	2,933	2,036	144.1	897	4,637	19.3	535	11.5
89	3,398	2,802	121.3	596	5,792	10.3	649	11.2
90	4,668	4,029	115.9	639	6,952	9.2	896	12.9
91	6,688	6,055	110.5	633	14,556	4.3	1,885	13.0
92	N/A	N/A	N/A	N/A	23,999	N/A	3,313	13.8

N/A = Information not available as of June 30, 1992.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

(11) DEFERRED COMPENSATION

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Plan assets are invested in a pooled deferred compensation plan. The plan, available to all Commission employees, permits them to defer a portion of their salary without penalty of income tax until future years. The compensation, so deferred, is not available to employees until termination, retirement, death or unforeseeable emergency.

All deferred compensation held or invested under the plan and any income thereon are solely the property of the Commission until paid or made available to the employee or other beneficiary. This amount is subject only to the claims of the Commission's general creditors. Participants' rights under the plan are equal to those of the general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant.

At June 30, 1992, monies on deposit and credited to participants' accounts, at market value, totalled \$2,174,420. Since the Commission has a fiduciary responsibility to handle the plan, such contributions are included in the accompanying general purpose financial statements as part of the fiduciary fund types - Agency Funds.

(12) RESERVED AND DESIGNATED FUND BALANCES

The following descriptions relate to the Commission's reservations and designations of fund balances:

Reserved for Encumbrances

This reserve was established to segregate a portion of the fund balance for outstanding commitments related to unperformed contracts.

Reserved for Note Receivable, Resale Property, and Prepaid Items

These reserves were established to set aside a portion of fund balance to indicate that Note Receivable, Resale Property, and Prepaid Items do not represent available spendable resources even though they are a component of assets.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

Reserved for Debt Service

This reserve has been established to reflect any fund balance legally restricted to the payment of general long-term debt principal and interest maturing in future years.

Reserved for Construction

This reserve was established to designate that portion of bond proceeds received for construction project costs, which are not available for general use.

Reserved for SB1995 Trust

This reserve has been set up to reflect the Commission's legal requirement to segregate sales tax monies pursuant to State Senate Bill 1995, which relates to the funding of a portion of the San Fernando Valley rail facilities.

Reserved for Metro Rail Agreement

The Metro Rail agreement provides that the Commission will set aside certain funds in anticipation of forthcoming Metro Rail costs.

Reserved for Issuance Costs

This reserve was established to reflect that portion of bond proceeds designated in the bond indenture for payment of issuance costs, which have not been billed to the Commission at June 30, 1992.

(13) DEFICIT FUND BALANCE

As of June 30, 1992, the Commission's General Fund balance was a deficit of \$544. However, the Commission's management believes that this deficit will be recovered from future operating transfers.

(14) CONSTRUCTION IN PROGRESS AND OTHER SIGNIFICANT COMMITMENTS

The Commission has several major construction projects underway as reported in Construction in process in the general fixed asset account group. Three of these major projects are the MOS-1, MOS-2 and the Metro Green Line.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

The MOS-1 of the Metro Red Line Rail Transit Project (Project) is a 4.4-mile section of the Project from Union Station to Wilshire Boulevard and Alvarado Street. The cost of the Project is currently estimated at \$1.45 billion. The SCRTD signed a Full Funding Agreement in August 1986 with the FTA (formerly the Urban Mass Transit Administration) to cover the federal share of the Project (approximately \$696 million). Related funding agreements were also signed with the State of California, the Commission and the City of Los Angeles for the remaining portion of the Project.

The agreement between the Commission, the FTA, and the SCRTD commits the Commission to:

- Provide \$176.6 million as its portion of the requested financing plan for the project;
- Provide \$203.7 million as the current shortfall;
- Establish a Capital Reserve Account for the payment of unbudgeted costs. This account is adjusted annually to equal 10% of the budgeted construction expenditures;
- Provide funds needed by SCRTD to match FTA funds made available for extraordinary costs;
- Provide for funding of cost overruns to be shared equally between the Commission and the City of Los Angeles.

The Commission has incurred expenditures totalling \$396 million as of June 30, 1992. The projected completion of January 1993 is several months ahead of schedule.

The MOS-2 is a 13.2 mile project. The overall budget for MOS-2 is \$1.446 billion, of which \$225 million has been expended as of June 30, 1992. The MOS-2 Full Funding Grant Agreement between the Commission and the FTA was executed in April 1990. Under this agreement the FTA has committed a total of \$667 million, subject to annual appropriations.

Of the overall budget, four percent (4%) is to be funded from special benefit assessments, seven percent (7%) from the City of Los Angeles from its local share of Proposition A Sales Tax revenues, thirteen percent (13%) from State gasoline taxes, thirty percent (30%) from Proposition A Sales Tax revenues or other local funds and forty-six percent (46%) up to a total of \$667 million from federal funds.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

The Metro Green Line is a 19.5-mile line linking the El Segundo employment area near the Los Angeles International Airport to the City of Norwalk and other communities.

The Metro Green Line Project budget of \$886 million has been approved by the Commission. The Budget was increased to allow for an additional \$215 million for the North Coast Extension which has an expected completion date of October 1994. Of the overall project budget, approximately fifteen percent (15%) is expected from Proposition A Sales Tax receipts, twelve percent (12%) is expected from State rail bonds and the balance from Proposition C Sales Tax receipts. No federal funds will be used to fund this project. The project commitments through June 1992 are \$452 million representing approximately 51% of the total budget, of which \$169 million is reported in construction in progress.

Other Commitments

Proposition A/FAU Funds Trade Agreement

Under the Air Quality Management Plan, the Commission is required to include a specified level of support for regional ridesharing in the Transportation Improvement Program (TIP). Traditionally, this was accomplished by programming Regional Federal Aid-Urban (FAU) funds to Commuter Computer. Beginning in 1986, the Commission established a policy of trading these Regional FAU funds to local jurisdictions in return for Proposition A Local Return funds. Local jurisdictions use the Regional FAU funds for street and road projects of regional significance. The applicable portion of Proposition A funds returned to the Commission are placed in the Ridesharing Fund.

Minority Bond Guarantee Agreement

The Commission has an agreement with the City of Los Angeles (City) and the SCRTD to participate in a minority bond guarantee program. Such program consists of two principal components: 1) a bond reserve account which would be used to guarantee performance bonds for disadvantaged and women-owned business enterprise (DBE/WBE) subcontractors who cannot obtain bonds on their own financial strength; and 2) a working capital loan component which would generate the funds necessary to ensure or enhance the subcontractors' financial stability and performance under an awarded contract.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

The agreement calls for the City and the Commission to each contribute \$7.5 million to the program. The \$15 million has been invested in certificates of deposit which are pledged for the minority bond guarantee program. The Commission's \$7.5 million contribution is included in the cash and investments account of the Capital Projects fund.

Purchase Commitment

The Commission has entered into a contract to purchase 15 rail cars from the Sumitomo Corporation. The total amount of the purchase is expected to be approximately \$15-20 million.

(15) LITIGATION

Proposition A and The State Board of Equalization

In the litigation of Aerospace v. State Board of Equalization, a California court of appeal granted Aerospace Corporation's ("Aerospace") claim for a refund of sales and use taxes erroneously collected by the State Board of Equalization on supplies and materials Aerospace obtained to perform a contract with the Federal Government. The appellate court found that the regulation under which the Board of Equalization had made the assessments was arbitrary and inconsistent with the governing statute.

The Board of Equalization had also similarly applied the invalid regulation to other federal contractors in California. Since the Aerospace Corp. decision, the State Board of Equalization has received claims for refunds of improperly collected sales and use taxes.

The Commission understands refunds of taxes are being charged so that the amount of any overpayment received by the Commission from the State Board of Equalization with respect to improperly collected sales and use taxes, will be recovered by the State Board of Equalization from the Commission through future reductions in distributions to the Commission of the Proposition A Sales Tax. The Commission recognizes that the State Board of Equalization must audit each claim for refund as it is submitted. Accordingly, it is unclear over what period of time this reduction will occur or when it will commence. According to preliminary estimates of the State Board, the amount that could be recovered statewide from districts such as the Commission is approximately \$61.6 million, including interest. It cannot be ascertained

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

presently what percentage of this amount is attributable to the Commission.

Proposition C Sales Tax

On November 6, 1990, the voters of the County approved Proposition C, a measure that increases the Sales Tax in Los Angeles County by one-half percent (the "Proposition C Sales Tax"). The Commission began receiving Proposition C funds in June 1991.

In February 1991, an action entitled (*Vernon vs. State Board of Equalization*) was filed in Superior Court for the County of Los Angeles, challenging the validity of the Proposition C Sales Tax. The plaintiffs claimed that the Proposition C Sales Tax required a two-thirds vote rather than the majority vote that was obtained.

In May 1992, the Commission was informed that all matters had been resolved in favor of Proposition C. The proceeds of Proposition C are now available to the Commission and will be used to expand rail transit, bus transit, and other mass transit uses.

Other

The Commission is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the Commission.

(16) JOINT VENTURE

The Commission is a member of the Southern California Regional Rail Authority (SCRRA), which was created as an exercise of joint powers between the transportation commissions of the counties of Los Angeles, San Bernardino (SANBAG), Orange (OCTA), Riverside (RCTC), and Ventura (VCTC). The SCRRA has assumed the overall responsibility of providing a commuter rail system, *Metrolink*, linking the participating counties. For the fiscal year 1991-92, activities have been limited to development of the system.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

The SCRRA consists of an independent governing board of eleven members appointed by the member agencies with voting powers as follows:

The Commission	4
OCTA	2
RCTC	2
SANBAG	2
VCTC	1

Funding for the SCRRA during the initial period has been primarily through capital contributions from member agencies and the State of California.

The Commission has made capital contributions to the SCRRA totaling \$56,074,000 for the fiscal year ended June 30, 1992. These capital contributions are recorded in the Commission's Capital Projects Fund and are reported in the general fixed asset account group as contributed capital.

(17) ASSEMBLY BILL 152 (AB-152)

In May 1992, Assembly Bill 152 (AB-152) was signed by the Governor of the State of California and became law. Under the terms of AB-152, the Commission and the SCRTD will merge on April 1, 1993 to form the Los Angeles County Metropolitan Transportation Authority (MTA). The MTA is intended to be a unified comprehensive organizational structure that ensures maximum accountability to the people. The MTA will succeed the Commission and the SCRTD and will assume the rights and obligations under any contract to which either is a party and which is to be performed, in whole or in part. All real and personal property owned by the SCRTD and the Commission will be transferred to the MTA.

(18) SUBSEQUENT EVENTS

- (1) On October 26, 1992, SCRRA commenced the *MetroLink* Commuter Rail Service from three locations throughout Southern California. All operations of the commuter service will be recorded on SCRRA's books. However, because the Commission is the largest contributor of capital to the new entity, capital contributions are recorded in the Commission's Capital Projects Fund and are reported in the general fixed asset account group as contributed capital. The Commission is also obligated to fund the majority of system operating costs in 1993.

LOS ANGELES COUNTY TRANSPORTATION COMMISSION

Notes to the Financial Statements

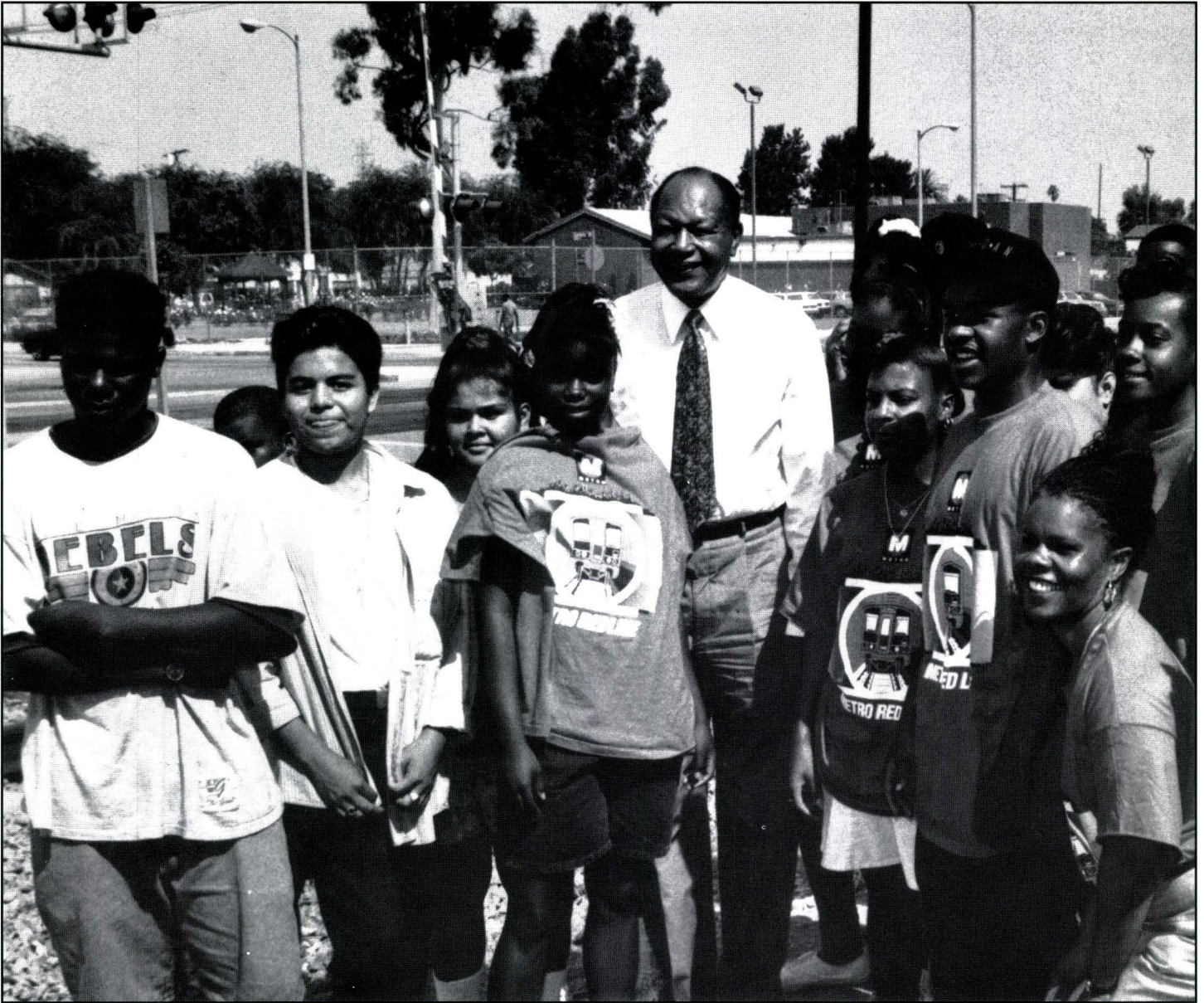
- (2) On October 8, 1992, the Commission became the official grantee of the MOS-1 project FTA Grant, taking the place of the SCRTD.
- (3) Effective in September 1992, the Commission was designated by the State to become the Regional Transportation Planning Agency in Southern California, replacing the Southern California Association of Governments (SCAG).
- (4) The Commission plans to issue \$516,855,000 of sales tax revenue bonds in November 1992 secured by Proposition C Sales Tax revenues.
- (5) The Commission is currently negotiating \$500 million in "right-of-way" acquisitions with the Santa Fe Railroad Company on its own behalf, as well as for Los Angeles' neighboring counties of Riverside, San Bernardino and Orange. These "right-of-way" purchases will be used for various Commission projects such as the Pasadena line and the SCRRA's *Metrolink* commuter rail service.



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Leading the Way to Greater Mobility

THE TRANSPORTATION OCCUPATIONS PROGRAM (TOP)



The Transportation Occupations Program (TOP) is an innovative educational partnership between the Rail Construction Corporation (RCC), the LACTC and local school districts. The program, which consists of special courses, paid internships, field trips and college scholarships, has provided valuable job training to several hundred students since 1986. Over 90% of those who successfully complete the program continue on to college.

General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Los Angeles County Transportation Commission
 General Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit A-1

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 6,781	\$ 177
Receivables:		
Note	344	343
Interest	29	5
Miscellaneous	154	57
Interfund	0	1,413
Due from other funds	150	2,094
Deposits	1	1
Interest in property held for resale	<u>150</u>	<u>0</u>
Total assets	\$ <u>7,609</u>	\$ <u>4,090</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 4,543	\$ 2,604
Accrued salaries	356	142
Compensated absences payable	340	207
Due to other funds	0	36
Interfund payables	2,914	0
Deposits Held	<u>0</u>	<u>0</u>
Total liabilities	<u>8,153</u>	<u>2,989</u>
Fund Balances:		
Reserved for encumbrances	0	758
Reserved for note receivable	344	343
Reserved for resale property	150	0
Unreserved, undesignated	<u>(1,038)</u>	<u>0</u>
Total fund balances	<u>(544)</u>	<u>1,101</u>
Total liabilities and fund balances	\$ <u>7,609</u>	\$ <u>4,090</u>

Los Angeles County Transportation Commission
 General Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit A-2

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental – TDA	\$ 2,348	\$ 2,090
Interest	335	189
Miscellaneous	<u>229</u>	<u>237</u>
Total Revenues	<u>2,912</u>	<u>2,516</u>
Expenditures:		
Current:		
Administration:		
Salaries and benefits	12,768	8,411
Services and supplies	18,349	8,570
Other charges	14	1,590
Capital outlay	<u>2,122</u>	<u>2,621</u>
Total expenditures	<u>33,253</u>	<u>21,192</u>
Excess (deficiency) of revenues over expenditures	(30,341)	(18,676)
Other Financing Sources:		
Operating transfers in:		
Proposition A Fund	25,517	18,747
Proposition C Fund	2,930	0
HOV LANES Fund	<u>249</u>	<u>0</u>
Total other financing sources	<u>28,696</u>	<u>18,747</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(1,645)	71
Fund balances, July 1	<u>1,101</u>	<u>1,030</u>
Fund balances, June 30	\$ <u>(544)</u>	\$ <u>1,101</u>

Los Angeles County Transportation Commission
 General Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances – Budget and Actual
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit A-3

	1992			1991		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:						
Intergovernmental-TDA	\$ 2,235	\$ 2,348	\$ 113	\$ 2,103	\$ 2,090	(13)
Interest	36	335	299	114	189	75
Miscellaneous	0	229	229	15	237	222
Total revenues	2,271	2,912	641	2,232	2,516	284
Expenditures:						
Current:						
Administration:						
Salaries and benefits	8,365	12,768	(4,403)	8,894	8,411	483
Services and supplies	39,637	18,349	21,288	8,653	8,570	83
Other charges	16	14	2	1,736	1,590	146
Capital outlay	1,275	2,122	(847)	1,832	2,621	(789)
Total expenditures	49,293	33,253	16,040	21,115	21,192	(77)
Excess (deficiency) of revenues over expenditures	(47,022)	(30,341)	16,681	(18,883)	(18,676)	207
Other Financing Sources:						
Operating transfers in	47,022	28,696	(18,326)	18,877	18,747	(130)
Excess (deficiency) of revenues and other financing sources over expenditures	0	(1,645)	(1,645)	(6)	71	77
Fund balances, July 1	1,101	1,101	0	1,030	1,030	0
Fund balances, June 30	\$ 1,101	\$ (544)	\$ (1,645)	\$ 1,024	\$ 1,101	\$ 77

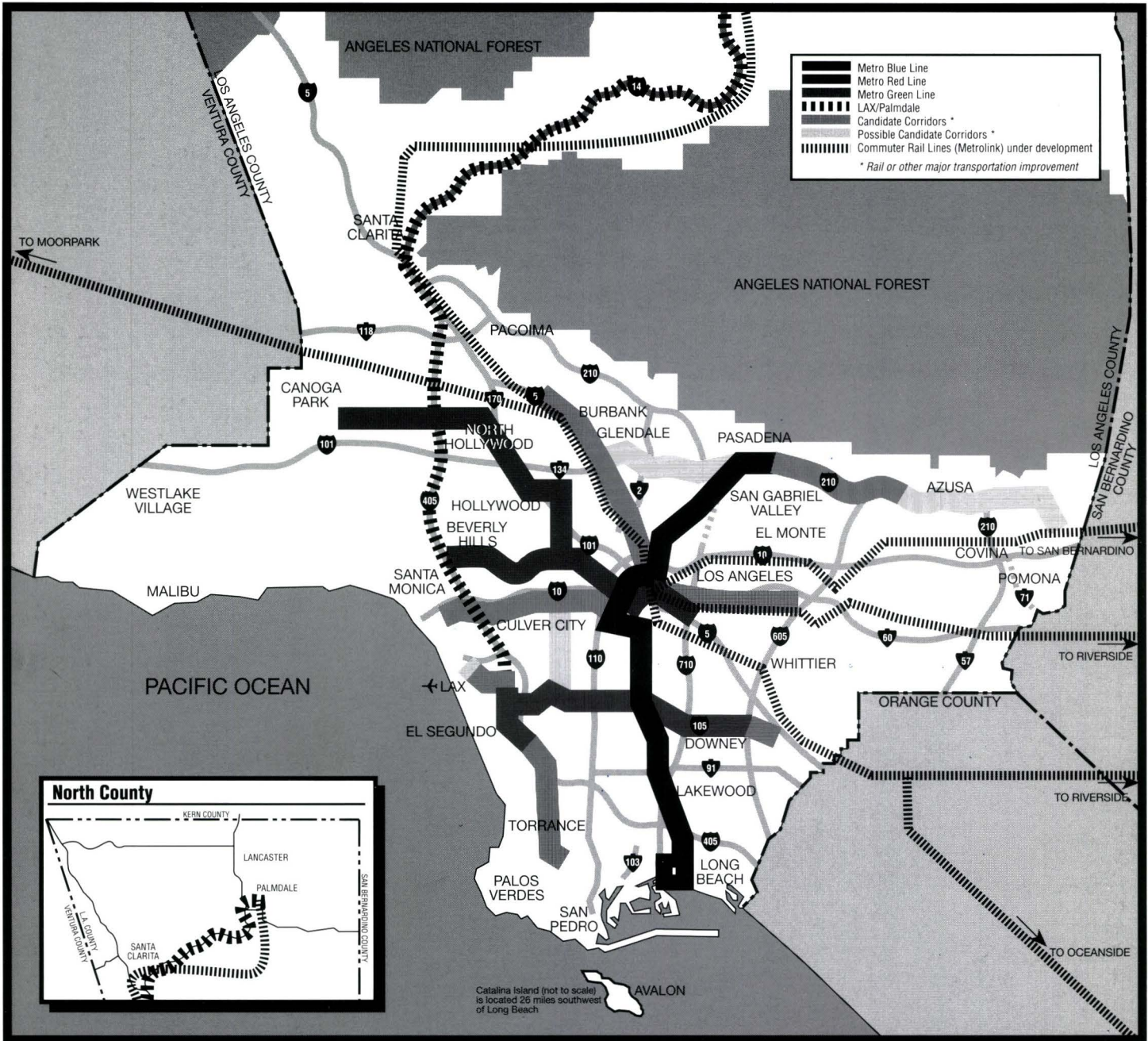
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Leading the Way to Greater Mobility

LOS ANGELES COUNTY 400-MILE METRO RAIL SYSTEM



As evidenced by the success of its premier line, the Metro Blue Line, the rail system is changing the way people get around L.A. The LACTC's 30-Year Integrated Transportation Plan calls for more than 400 miles of rail—200 miles of urban rail, including light rail and subway, and 200 miles of commuter rail. Nearly 75% of the rail system will be operational within the next six years. The rail system will work hand-in-hand with the other components of the Metro System.

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Proposition A This fund is used to account for the proceeds of the voter-approved one-half percent sales tax that became effective on July 1, 1982. Revenues collected are to be allocated: 25% to local jurisdictions for local transit; 35% to be set aside for construction and operation of rail rapid transit systems; 40% is allocated at the discretion of the commission.

Proposition C - The official name of this fund is the "Los Angeles County Anti-Gridlock Transit Improvement Fund". The fund is used to account for the proceeds of the voter-approved one-half percent sales tax that became effective on April 1, 1991. Revenues collected are to be allocated: 5% to improve and expand rail and bus security; 10% for Commuter Rail and construction of Transit Centers, Park-and-Ride lots and Freeway Bus Stops; 20% to local jurisdictions for public transit, paratransit and related services; 25% for essential county-wide transit-related improvements to freeways and state highways; 40% to improve and expand rail and bus transit county-wide.

State Transit Assistance (STA) - This fund is used to account for revenue received from the State Transit Assistance Program of the Transportation Development Act, which provides formulas to determine the uses of the proceeds.

Ridesharing - This fund accounts for Proposition A Local Return monies, returned to the commission in exchange for FAU entitlements. Monies received are legally restricted as to use and committed to ridesharing activities.

Service Authority For Freeway Emergencie (SAFE) - This fund is used to account for revenues received from the state Department of Motor Vehicles, generated by charging an additional \$1 to each car registration in Los Angeles County to improve freeway emergency call box operations.

Transportation Development Act (TDA) Administration - This fund is used to account for revenues received from TDA fund allocation for TDA funds administration.

PVEA (Petroleum Violations Escrow Account) - This fund is used to account for revenues received from fines and penalties collected because of petroleum violations, to be used for certain demonstration projects, including the "Smart Corridor" demonstration project along the Santa Monica Freeway corridor.

Federal Aid Urban (FAU) - This fund accounts for monies received in exchange for FAU entitlements, and is legally restricted to use on transportation improvement projects.

Rail Start-Up - This fund is to account for rail transportation start-up operations, funded specifically by Proposition A and other sources.

Ports Highway Improvements Match - The commission has agreed to act as escrow agent to accumulate in this fund matching monies, which are to be contributed by certain local agencies, for a Federal Demonstration Grant.

HOV Lanes - This fund accounts for allocated portions of fines collected from high occupancy vehicle (HOV) lane violations in Los Angeles County, to be used for improving traffic flow and traffic operations on the state highway system in the county.



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Leading the Way to Greater Mobility

Los Angeles County Transportation Commission
Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the fiscal year ended June 30, 1992
(With comparative totals for the fiscal year ended June 30, 1991)
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	Ridesharing	Service Authority for Freeway Emergencies
Revenues:					
Sales taxes	\$ 367,707	\$ 352,641	\$ 0	\$ 0	0
Licenses/fines	0	0	0	0	6,510
Intergovernmental	5	0	18,418	0	90
Interest	6,236	9,893	1,714	996	735
Total revenues	373,948	362,534	20,132	996	7,335
Expenditures:					
Current:					
Administration	296	9	16	45	7,437
Transportation subsidy	255,226	0	18,973	3,774	0
Total expenditures	255,522	9	18,989	3,819	7,437
Excess (deficiency) of revenues over expenditures	118,426	362,525	1,143	(2,823)	(102)
Other Financing Sources (Uses):					
Operating transfers in	26,921	0	7	0	0
Operating transfers out	(132,746)	(2,930)	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	12,601	359,595	1,150	(2,823)	(102)
Fund balances, July 1	105,858	40,926	29,531	20,476	12,403
Fund balances, June 30	\$ 118,459	\$ 400,521	\$ 30,681	\$ 17,653	\$ 12,301

Transportation Development Act Administration	PVEA	Federal Aid Urban	Rail Start-Up	Ports Highway Improvements Match	HOV Lanes	Totals	
						1992	1991
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	720,348	\$ 442,932
0	0	0	0	0	101	6,611	6,023
314	10	1,369	0	0	0	20,206	25,642
82	94	110	75	406	8	20,349	30,318
396	104	1,479	75	406	109	767,514	504,915
314	0	3	1,140	0	0	9,260	2,799
0	1,723	12,247	36,927	0	0	328,870	281,574
314	1,723	12,250	38,067	0	0	338,130	284,373
82	(1,619)	(10,771)	(37,992)	406	109	429,384	220,542
0	0	0	35,892	1,630	0	64,450	31,740
0	0	0	0	0	(249)	(135,925)	(526,255)
82	(1,619)	(10,771)	(2,100)	2,036	(140)	357,909	(273,973)
294	2,132	28,652	2,203	6,558	140	249,173	523,146
\$ 376	\$ 513	\$ 17,881	\$ 103	\$ 8,594	\$ 0	607,082	\$ 249,173

Los Angeles County Transportation Commission
 Proposition A Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-3

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 96,712	\$ 120,030
Receivables:		
Note	5,746	5,575
Interest	1,180	3,629
Sales tax	14,796	14,710
Interfund	<u>25</u>	<u>8,525</u>
Total assets	\$ <u>118,459</u>	\$ <u>152,469</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 0	\$ 1,611
Due to capital projects fund	<u>0</u>	<u>45,000</u>
Total liabilities	<u>0</u>	<u>46,611</u>
Fund Balances:		
Reserved for note receivable (non current) portion of loan	5,028	0
Unreserved, undesignated	<u>113,431</u>	<u>105,858</u>
Total fund balances	<u>118,459</u>	<u>105,858</u>
Total liabilities and fund balances	\$ <u>118,459</u>	\$ <u>152,469</u>

Los Angeles County Transportation Commission
 Proposition A Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-4

	<u>1992</u>	<u>1991</u>
Revenues:		
Sales taxes	\$ 367,707	\$ 400,448
Intergovernmental	5	0
Interest	<u>6,236</u>	<u>23,847</u>
Total revenues	<u>373,948</u>	<u>424,295</u>
Expenditures:		
Current:		
Administration	296	23
Transportation subsidy	<u>255,226</u>	<u>242,791</u>
Total expenditures	<u>255,522</u>	<u>242,814</u>
Excess of revenues over expenditures	<u>118,426</u>	<u>181,481</u>
Other Financing (Uses):		
Operating transfers in:		
Capital projects funds	26,921	0
Operating transfers out :		
STA fund	(7)	0
Debt service fund	(98,176)	(51,595)
Ports highway fund	(1,630)	0
Capital projects funds	(7,416)	(424,173)
General fund	(25,517)	(18,747)
Rail start-up fund	<u>0</u>	<u>(31,740)</u>
Total other financing (uses)	<u>(105,825)</u>	<u>(526,255)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	12,601	(344,774)
Fund balances, July 1	<u>105,858</u>	<u>450,632</u>
Fund balances, June 30	<u>\$ 118,459</u>	<u>\$ 105,858</u>

Los Angeles County Transportation Commission
 Proposition C Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-5

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 383,358	\$ 28,162
Receivables:		
Interest	3,528	30
Sales tax	<u>13,635</u>	<u>14,147</u>
Total assets	\$ <u>400,521</u>	\$ <u>42,339</u>
 Liabilities and Fund Balance		
Liabilities:		
Interfund payable	\$ <u>0</u>	\$ <u>1,413</u>
Total liabilities	<u>0</u>	<u>1,413</u>
 Fund Balance:		
Unreserved, Undesignated	<u>400,521</u>	<u>40,926</u>
Total liabilities and fund balance	\$ <u>400,521</u>	\$ <u>42,339</u>

Los Angeles County Transportation Commission
Proposition C Special Revenue Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-6

	<u>1992</u>	<u>1991</u>
Revenues:		
Sales taxes	\$ 352,641	\$ 42,484
Interest	<u>9,893</u>	<u>30</u>
Total revenues	<u>362,534</u>	<u>42,514</u>
Expenditures:		
Current:		
Administration	<u>9</u>	<u>1,588</u>
Total expenditures	<u>9</u>	<u>1,588</u>
Excess of revenues over expenditures	362,525	40,926
Other Financing (Uses):		
Operating transfer out:		
General fund	<u>(2,930)</u>	<u>0</u>
Excess of revenues over expenditures and other financing uses	359,595	40,926
Fund balance, July 1	<u>40,926</u>	<u>0</u>
Fund balance, June 30	\$ <u>400,521</u>	\$ <u>40,926</u>

Los Angeles County Transportation Commission
 State Transit Assistance Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-7

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 28,236	\$ 25,844
Receivables:		
Interest	408	466
Intergovernmental	<u>4,609</u>	<u>3,440</u>
Total assets	\$ <u>33,253</u>	\$ <u>29,750</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts Payable	\$ <u>2,572</u>	\$ <u>219</u>
Total liabilities	<u>2,572</u>	<u>219</u>
 Fund Balances:		
Reserved for special purposes	0	7,730
Unreserved, undesignated	<u>30,681</u>	<u>21,801</u>
Total fund balances	<u>30,681</u>	<u>29,531</u>
Total liabilities and fund balances	\$ <u>33,253</u>	\$ <u>29,750</u>

Los Angeles County Transportation Commission
 State Transit Assistance Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-8

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental:		
State	\$ 18,418	\$ 13,755
Interest	<u>1,714</u>	<u>1,379</u>
Total revenues	<u>20,132</u>	<u>15,134</u>
Expenditures:		
Administration	16	0
Transportation subsidy	<u>18,973</u>	<u>244</u>
Total expenditures	<u>18,989</u>	<u>244</u>
Excess of revenues over expenditures	<u>1,143</u>	<u>14,890</u>
Other Financing Sources (uses):		
Operating transfers in:		
Proposition A fund	<u>7</u>	<u>0</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>1,150</u>	<u>14,890</u>
Fund balances, July 1	<u>29,531</u>	<u>14,641</u>
Fund balances, June 30	<u>\$ 30,681</u>	<u>\$ 29,531</u>

Los Angeles County Transportation Commission
 Ridesharing Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-9

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 5,296	\$ 20,036
Recivables:		
Interest	157	440
Interfund	<u>12,200</u>	<u>0</u>
Total assets	<u>17,653</u>	<u>20,476</u>
Fund Balances		
Unreserved, undesignated	\$ <u>17,653</u>	\$ <u>20,476</u>
Total fund balances	<u>\$ 17,653</u>	<u>\$ 20,476</u>

Los Angeles County Transportation Commission
Ridesharing Special Revenue Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-10

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 0	\$ 5,817
Interest	<u>996</u>	<u>1,127</u>
Total revenues	<u>996</u>	<u>6,944</u>
Expenditures:		
Current:		
Administration	45	0
Transportation subsidy	<u>3,774</u>	<u>3,935</u>
Total expenditures	<u>3,819</u>	<u>3,935</u>
Excess (deficiency) of revenues over expenditures	<u>(2,823)</u>	<u>3,009</u>
Fund balances, July 1	<u>20,476</u>	<u>17,467</u>
Fund balances, June 30	<u>\$ 17,653</u>	<u>\$ 20,476</u>

Los Angeles County Transportation Commission
 Service Authority for Freeway Emergencies
 Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-11

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 10,288	\$ 12,595
Receivables:		
Interest	140	261
Intergovernmental	90	0
Interfund	<u>2,914</u>	<u>0</u>
Total assets	\$ <u>13,432</u>	\$ <u>12,856</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 635	\$ 111
Due to other governments	<u>496</u>	<u>342</u>
Total liabilities	<u>1,131</u>	<u>453</u>
 Fund Balances:		
Reserved for encumbrances	0	113
Unreserved, undesignated	<u>12,301</u>	<u>12,290</u>
Total fund balances	<u>12,301</u>	<u>12,403</u>
Total liabilities and fund balances	\$ <u>13,432</u>	\$ <u>12,856</u>

Los Angeles County Transportation Commission
 Service Authority for Freeway Emergencies
 Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-12

	<u>1992</u>	<u>1991</u>
Revenues:		
Licenses (motor vehicles)	\$ 6,510	\$ 5,949
Project cost sharing	90	0
Interest	<u>735</u>	<u>852</u>
Total revenues	<u>7,335</u>	<u>6,801</u>
Expenditures:		
Current:		
Administration:		
Salaries and benefits	76	43
Services and supplies	<u>7,361</u>	<u>2,004</u>
Total expenditures	<u>7,437</u>	<u>2,047</u>
Excess (deficiency) of revenues over expenditures	(102)	4,754
Fund balances, July 1	<u>12,403</u>	<u>7,649</u>
Fund balances, June 30	<u>\$ 12,301</u>	<u>\$ 12,403</u>

Los Angeles County Transportation Commission
Service Authority for Freeway Emergencies
Special Revenue Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances – Budget and Actual
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B – 13

	1992			1991		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Licenses (motor vehicles)	\$ 6,498	\$ 6,510	\$ 12	\$ 6,054	\$ 5,949	\$ (105)
Project cost sharing	0	90	90	0	0	0
Interest	626	735	109	234	852	618
Total revenues	7,124	7,335	211	6,288	6,801	513
Expenditures:						
Current:						
Administration:						
Salaries and benefits	121	76	45	48	43	5
Services and supplies	4,500	7,361	(2,861)	4,002	2,004	1,998
Capital outlay	8,076	0	8,076	7,800	0	7,800
Total expenditures	12,697	7,437	5,260	11,850	2,047	9,803
Excess (deficiency) of revenues over expenditures	(5,573)	(102)	5,471	(5,562)	4,754	10,316
Fund balances, July 1	12,403	12,403	0	7,649	7,649	0
Fund balances, June 30	\$ 6,830	\$ 12,301	\$ 5,471	\$ 2,087	\$ 12,403	\$ 10,316

Los Angeles County Transportation Commission
 Transportation Development Act Administration
 Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-14

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 371	\$ 289
Interest receivable	<u>5</u>	<u>5</u>
Total assets	\$ <u>376</u>	\$ <u>294</u>
 Fund Balance		
Fund Balances:		
Reserved for encumbrances	\$ 0	\$ 0
Unreserved, undesignated	<u>376</u>	<u>294</u>
Total fund balances	\$ <u>376</u>	\$ <u>294</u>

Los Angeles County Transportation Commission
 Transportation Development Act Administration
 Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-15

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 314	\$ 314
Interest	<u>82</u>	<u>23</u>
Total revenues	<u>396</u>	<u>337</u>
Expenditures:		
Current:		
Administration:		
Salaries and benefits	20	14
Services and supplies	<u>294</u>	<u>169</u>
Total expenditures	<u>314</u>	<u>183</u>
Excess (deficiency) of revenues over expenditures	82	154
Fund balances, July 1	<u>294</u>	<u>140</u>
Fund balances, June 30	<u>\$ 376</u>	<u>\$ 294</u>

Los Angeles County Transportation Commission
 Transportation Development Act Administration
 Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances – Budget and Actual
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-16

	1992			1991		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:						
Intergovernmental	\$ 409	\$ 314	\$ (95)	\$ 314	\$ 314	\$ 0
Interest	10	82	72	10	23	13
Total revenues	419	396	(23)	324	337	13
Expenditures:						
Current:						
Administration:						
Salaries and benefits	138	20	118	135	14	121
Services and supplies	271	294	(23)	175	169	6
Capital outlay	0	0	0	4	0	4
Total expenditures	409	314	95	314	183	131
Excess (deficiency) of revenues over expenditures	10	82	72	10	154	144
Fund balances, July 1	294	294	0	140	140	0
Fund balances, June 30	\$ 304	\$ 376	\$ 72	\$ 150	\$ 294	\$ 144

Los Angeles County Transportation Commission
PVEA Special Revenue Fund
Comparative Balance Sheets
June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-17

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 997	\$ 2,173
Interest receivable	<u>14</u>	<u>31</u>
Total assets	\$ <u>1,011</u>	\$ <u>2,204</u>
 Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ <u>498</u>	\$ <u>72</u>
Total liabilities	<u>498</u>	<u>72</u>
 Fund Balance:		
Reserved for encumbrances	<u>513</u>	<u>2,132</u>
Total fund balance	<u>513</u>	<u>2,132</u>
Total liabilities and fund balance	\$ <u>1,011</u>	\$ <u>2,204</u>

Los Angeles County Transportation Commission
PVEA Special Revenue Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-18

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 10	\$ 2,796
Interest	<u>94</u>	<u>35</u>
Total revenues	<u>104</u>	<u>2,831</u>
Expenditures:		
Current:		
Transportation subsidy	<u>1,723</u>	<u>699</u>
Total expenditures	<u>1,723</u>	<u>699</u>
Excess (deficiency) of revenues over expenditures	(1,619)	2,132
Fund balance, July 1	<u>2,132</u>	<u>0</u>
Fund balance, June 30	\$ <u><u>513</u></u>	\$ <u><u>2,132</u></u>

Los Angeles County Transportation Commission
PVEA Special Revenue Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balance – Budget and Actual
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-19

	1992			1991		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 2,742	\$ 10	\$ (2,732)	\$ 2,500	\$ 2,796	\$ 296
Interest	60	94	34	0	35	35
Total revenues	2,802	104	(2,698)	2,500	2,831	331
Expenditures:						
Current:						
Transportation subsidy	4,242	1,723	2,519	2,500	699	1,801
Total expenditures	4,242	1,723	2,519	2,500	699	1,801
Excess (deficiency) of revenues over expenditures	(1,440)	(1,619)	(179)	0	2,132	2,132
Fund balance, July 1	2,132	2,132	0	0	0	0
Fund balance, June 30	\$ 692	\$ 513	\$ (179)	\$ 0	\$ 2,132	\$ 2,132

Los Angeles County Transportation Commission
 Federal Aid Urban Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-20

	<u>1992</u>	<u>1991</u>
<u>Assets</u>		
Cash and investments	\$ 26,693	\$ 28,056
Interest receivable	<u>188</u>	<u>596</u>
Total assets	\$ <u>26,881</u>	\$ <u>28,652</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ <u>9,000</u>	\$ <u>0</u>
Total liabilities	<u>9,000</u>	<u>0</u>
Fund Balances		
Unreserved, undesignated	<u>17,881</u>	<u>28,652</u>
Total liabilities and fund balances	\$ <u>26,881</u>	\$ <u>28,652</u>

Los Angeles County Transportation Commission
 Federal Aid Urban Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-21

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 1,369	\$ 0
Interest	<u>110</u>	<u>2,525</u>
Total revenues	<u>1,479</u>	<u>2,525</u>
Expenditures:		
Current:		
Administration	3	0
Transportation subsidy	<u>12,247</u>	<u>115</u>
Total expenditures	<u>12,250</u>	<u>115</u>
Excess (deficiency) of revenues over expenditures	(10,771)	2,410
Fund balances, July 1	<u>28,652</u>	<u>26,242</u>
Fund balances, June 30	<u>\$ 17,881</u>	<u>\$ 28,652</u>

Los Angeles County Transportation Commission
 Rail Start-Up Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-22

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 324	\$ 5,261
Interest Receivable	12	32
Deposits	<u>0</u>	<u>10</u>
Total assets	\$ <u>336</u>	\$ <u>5,303</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ <u>233</u>	\$ <u>3,100</u>
Total liabilities	<u>233</u>	<u>3,100</u>
 Fund Balances:		
Reserved for encumbrances	0	235
Unreserved, undesignated	<u>103</u>	<u>1,968</u>
Total fund balances	<u>103</u>	<u>2,203</u>
Total liabilities and fund balances	\$ <u>336</u>	\$ <u>5,303</u>

Los Angeles County Transportation Commission
 Rail Start-Up Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-23

	1992	1991
Revenues:		
Interest	\$ 75	\$ 32
Total revenues	<u>75</u>	<u>32</u>
Expenditures:		
Current:		
Administration	1,140	962
Transportation subsidy	<u>36,927</u>	<u>31,786</u>
Total expenditures	<u>38,067</u>	<u>32,748</u>
Excess (deficiency) of revenues over expenditures	(37,992)	(32,716)
Other Financing Sources:		
Operating transfers in:		
Proposition A Fund	0	31,740
Debt service fund	<u>35,892</u>	<u>0</u>
Total other financing sources	35,892	<u>31,740</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(2,100)	(976)
Fund balances, July 1	<u>2,203</u>	<u>3,179</u>
Fund balances, June 30	<u>\$ 103</u>	<u>\$ 2,203</u>

Los Angeles County Transportation Commission
 Rail Start-Up Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances – Budget and Actual
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-24

	1992			1991		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Interest	\$ 0	\$ 75	\$ 75	\$ 992	\$ 32	\$ (960)
Total revenues	<u>0</u>	<u>75</u>	<u>75</u>	<u>992</u>	<u>32</u>	<u>(960)</u>
Expenditures:						
Current:						
Administration	1,904	1,140	764	0	962	(962)
Transportation subsidy	38,200	36,927	1,273	29,676	31,786	(2,110)
Total expenditures	<u>40,104</u>	<u>38,067</u>	<u>2,037</u>	<u>29,676</u>	<u>32,748</u>	<u>(3,072)</u>
Excess (deficiency) of revenues over expenditures	<u>(40,104)</u>	<u>(37,992)</u>	<u>2,112</u>	<u>(28,684)</u>	<u>(32,716)</u>	<u>(4,032)</u>
Other Financing Sources:						
Operating transfers in:						
Proposition A fund	0	0	0	7,008	31,740	24,732
Debt service fund	40,104	35,892	(4,212)	0	0	0
Total other financing sources	<u>40,104</u>	<u>35,892</u>	<u>(4,212)</u>	<u>7,008</u>	<u>31,740</u>	<u>24,732</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>0</u>	<u>(2,100)</u>	<u>(2,100)</u>	<u>(21,676)</u>	<u>(976)</u>	<u>20,700</u>
Fund balances, July 1	<u>2,203</u>	<u>2,203</u>	<u>0</u>	<u>3,179</u>	<u>3,179</u>	<u>0</u>
Fund balances, June 30	<u>\$ 2,203</u>	<u>\$ 103</u>	<u>\$ (2,100)</u>	<u>(18,497)</u>	<u>2,203</u>	<u>20,700</u>

Los Angeles County Transportation Commission
 Ports Highway Improvements Match Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-25

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 8,507	\$ 6,423
Interest receivable	<u>87</u>	<u>135</u>
Total assets	\$ <u>8,594</u>	\$ <u>6,558</u>
 Fund Balances		
Unreserved, undesignated	\$ <u>8,594</u>	\$ <u>6,558</u>
Total fund balances	\$ <u><u>8,594</u></u>	\$ <u><u>6,558</u></u>

Los Angeles County Transportation Commission
 Ports Highway Improvements Match Special Revenue Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-26

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 0	\$ 2,960
Interest	<u>406</u>	<u>460</u>
Total revenues	<u>406</u>	<u>3,420</u>
Other Financing Sources:		
Operating transfers in:		
Prop A fund	<u>1,630</u>	<u>0</u>
Total other financing sources	<u>1,630</u>	<u>0</u>
Total revenue and other financing sources	2,036	3,420
Fund balances, July 1	<u>6,558</u>	<u>3,138</u>
Fund balances, June 30	<u>\$ 8,594</u>	<u>\$ 6,558</u>

Los Angeles County Transportation Commission
 HOV Lanes Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit B-27

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments	\$ 0	\$ 137
Interest receivable	<u>0</u>	<u>3</u>
Total assets	\$ <u>0</u>	\$ <u>140</u>
Fund Balances		
Unreserved, undesignated	\$ <u>0</u>	\$ <u>140</u>
Total fund balances	\$ <u>0</u>	\$ <u>140</u>

Los Angeles County Transportation Commission
HOV Lanes Special Revenue Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit B-28

	<u>1992</u>	<u>1991</u>
Revenues:		
Vehicle fines	\$ 101	\$ 74
Interest	<u>8</u>	<u>8</u>
Total revenues	<u>109</u>	<u>82</u>
Other Financing (Uses):		
Operating transfers out:		
General fund	<u>(249)</u>	<u>0</u>
Total other financing (uses)	<u>(249)</u>	<u>0</u>
Excess (deficiency) of revenues over other financing uses	(140)	82
Fund balances, July 1	<u>140</u>	<u>58</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 140</u>



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Leading the Way to Greater Mobility



"You're setting an example for the whole country in advancing a project which symbolizes the kind of transportation planning, high-tech, and teamwork that America needs to compete in the world marketplace."

President George Bush during visit to Green Line construction site.

Travis the Owl is the mascot of the Rail Transit School Safety Program, and membership in the Travis the Owl Travel Clubs means that children have learned the rules for being rail wise. Following these rules is important for their safety, and for the security of all passengers who ride L.A.'s growing rail transit system.



Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of long-term debt principal and interest.

Los Angeles County Transportation Commission
 Debt Service Fund
 Comparative Balance Sheets
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit C-1

	<u>1992</u>	<u>1991</u>
Assets		
Cash and investments with fiscal agent	\$ 731,761	\$ 582,257
Receivables:		
Intergovernmental	4,845	0
Interest receivable	<u>8,280</u>	<u>2,241</u>
Total assets	\$ <u>744,886</u>	\$ <u>584,498</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 57	\$ 0
Accrued interest payable	53,942	25,440
Revenue bonds payable – current portion	<u>11,545</u>	<u>0</u>
Total liabilities	<u>65,544</u>	<u>25,440</u>
Fund Balances:		
Reserved for debt service	619,334	209,009
Reserved for construction	59,773	349,779
Reserved for bond issuance costs	<u>235</u>	<u>270</u>
Total fund balances	<u>679,342</u>	<u>559,058</u>
Total liabilities and fund balances	\$ <u>744,886</u>	\$ <u>584,498</u>

Los Angeles County Transportation Commission
Debt Service Fund
Comparative Statements of Revenues, Expenditures
and Changes in Fund Balances
For the fiscal years ended June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit C-2

	<u>1992</u>	<u>1991</u>
Revenues:		
Intergovernmental	\$ 4,845	\$ 0
Interest	<u>20,939</u>	<u>8,547</u>
Total Revenues	<u>25,784</u>	<u>8,547</u>
Expenditures:		
Debt Service:		
Interest	110,090	55,780
Bond issuance costs	1,788	1,144
Bond discount	18,431	11,342
Bond principal retirement	12,592	586
Bond insurance	3,507	0
Financing Costs	3,498	0
C.O.P. transit development	25,402	0
Commercial paper retirement	<u>177,000</u>	<u>0</u>
Total expenditures	<u>352,308</u>	<u>68,852</u>
Excess (deficiency) of revenues over expenditures	(326,524)	(60,305)
Other Financing Sources (Uses):		
Operating transfers in:		
Proposition A fund	98,176	51,595
Capital projects fund	61,711	4,774
Operating transfers out:		
Rail start-up fund	(35,892)	0
Capital projects fund	(305,632)	(73,578)
Proceeds of debt issuance	0	500,000
Proceeds of refunding bonds	487,790	0
Proceeds of C.O.P. issuance	137,715	0
Proceeds from forward purchase agreement	<u>2,940</u>	<u>0</u>
Total other financing sources (uses)	<u>446,808</u>	<u>482,791</u>
Excess of revenues and other financing sources over expenditures and other financing uses	120,284	422,486
Fund balances, July 1	<u>559,058</u>	<u>136,572</u>
Fund balances, June 30	\$ <u>679,342</u>	\$ <u>559,058</u>

THE METRO GREEN LINE



The 20-mile Metro Green Line, scheduled to open in November 1994, will begin in Norwalk and run 16.5 miles west in the center of the I-105 (Glenn Anderson Freeway) and then curve south at Aviation Boulevard and Imperial Highway for the 3.5 El Segundo Branch ending at Freeman and Marine avenues.

Stations in the center of the new freeway will be accessible either by stairs, escalators or elevators. A carpool lane will run on either side of the rail line in the Century Boulevard segment. Modern overhead wires, safely well above ground, will feed electrical power to high-speed rail cars.

Passengers may transfer from the Metro Green Line to the Long Beach-Los Angeles Metro Blue Line at a shared station, located at Wilmington Avenue and Imperial Highway. The Metro Blue Line carries northbound passengers downtown, ending at the Metro Red Line. The Metro Red Line will link the center of metropolitan Los Angeles, through Hollywood, with the San Fernando Valley.

Capitol Projects Funds

The capital projects funds are used to account for the planning, design and construction of rail transit systems in Los Angeles County, financed primarily by 35% of Proposition A sales tax revenues.

Light Rail Capital Project Fund—

This fund is used to collect all costs related to the Metro Blue Line and other light rail projects while under construction.

Metro Rail Capital Project Fund—

This fund is used to collect all costs related to the Metro Red Line, Minimum Operable Segments (MOS) 1, 2 and 3.

Commuter Rail Capital Project Fund—

This fund is used to collect all costs related to the Metrolink system within Los Angeles County.

Los Angeles County Transportation Commission
 Capital Projects Funds
 Combining Balance Sheet
 June 30, 1992
 (With comparative totals for June 30, 1991)
 (Amounts expressed in thousands)

Exhibit D-1

				Totals	
	Light Rail	Metro Rail	Commuter Rail	1992	1991
Assets					
Cash and investments	\$ 18,180	\$ 68,500	\$ 5,757	\$ 92,437	\$ 186,350
Receivables:					
Interest	17	713	0	730	4,670
Intergovernmental	0	101,204	63,692	164,896	131,261
Miscellaneous	1,304	143	517	1,964	1,395
Interfund	0	0	0	0	30,000
Due from other funds	0	32,111	0	32,111	45,880
Prepaid items	799	0	0	799	630
Deposits	9,021	0	0	9,021	40,425
Interest in property held for resale	700	0	0	700	700
Total Assets	\$ 30,021	\$ 202,671	\$ 69,966	\$ 302,658	\$ 441,311
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 18,748	\$ 51,294	\$ 296	\$ 70,338	\$ 74,055
Accrued salaries	476	0	0	476	213
Compensated absences payable	511	0	0	511	311
Claims and judgments payable	0	0	0	0	20,054
Due to other governments	0	0	0	0	17,041
Due to other funds	28,032	0	4,229	32,261	2,938
Interfund payable	0	0	12,200	12,200	38,500
Deferred revenue—leases	0	0	400	400	
Other liabilities	71	0	9	80	44
Total liabilities	47,838	51,294	17,134	116,266	153,156
Fund Balances:					
Reserved for encumbrances	0	151,375	52,832	204,207	243,272
Reserved for resale property	700	0	0	700	700
Reserved for prepaid items	799	0	0	799	630
Reserved for Construction	0	0	0	0	51,966
Reserved for Metrorail Agreement	0	0	0	0	20,832
Unreserved, undesignated	(19,316)	2	0	(19,314)	(29,245)
Total fund balances	(17,817)	151,377	52,832	186,392	288,155
Total liabilities and fund balances	\$ 30,021	\$ 202,671	\$ 69,966	\$ 302,658	\$ 441,311

Los Angeles County Transportation Commission
 Capital Projects Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal year ended June 30, 1992
 (With comparative totals for the fiscal
 year ended June 30, 1991)
 (Amounts expressed in thousands)

Exhibit D-2

				Totals	
	Light Rail	Metro Rail	Commuter Rail	1992	1991
Revenues:					
Intergovernmental	\$ 0	\$ 224,359	\$ 79,200	\$ 303,559	\$ 203,961
Interest	1,542	4,854	0	6,396	11,585
Construction services cost sharing	926	0	0	926	2,450
Lease rentals	577	0	3,449	4,026	1,967
Miscellaneous	477	49	342	868	6,112
Total revenues	3,522	229,262	82,991	315,775	226,075
Expenditures:					
Capital outlay:					
Rail development	175,292	424,842	66,820	666,954	821,781
Total expenditures	175,292	424,842	66,820	666,954	821,781
Excess (deficiency) of revenues over expenditures	(171,770)	(195,580)	16,171	(351,179)	(595,706)
Other Financing Sources (Uses):					
Operating transfers in:					
Proposition A fund	0	7,416	0	7,416	424,173
Debt service fund	154,758	29,995	120,880	305,633	73,578
Operating transfers out:					
Proposition A fund	(4,976)	0	(21,946)	(26,922)	0
Debt service fund	(9,745)	0	(51,966)	(61,711)	(4,774)
Proceeds from financing	0	25,000	0	25,000	378,000
Total other financing sources (uses)	140,037	62,411	46,968	249,416	870,977
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(31,733)	(133,169)	63,139	(101,763)	275,271
Fund balances, July 1	13,916	284,546	(10,307)	288,155	12,884
Fund balances, June 30	\$ (17,817)	\$ 151,377	\$ 52,832	\$ 186,392	\$ 288,155

Los Angeles County Transportation Commission
 Capital Projects Funds
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances – Budget and Actual
 For the fiscal years ended June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit D-3

	1992			1991		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 427,113	\$ 303,559	\$ (123,554)	\$ 402,060	\$ 203,961	\$ (198,099)
Interest	0	6,396	6,396	578	11,585	11,007
Construction services cost sharing	0	926	926	0	2,450	2,450
Lease rentals	0	4,026	4,026	0	1,967	1,967
Miscellaneous	4,923	868	(4,055)	1,125	6,112	4,987
Total revenues	432,036	315,775	(116,261)	403,763	226,075	(177,688)
Expenditures:						
Capital outlay:						
Rail development	955,542	666,954	288,588	1,123,258	821,781	301,477
Total expenditures	955,542	666,954	288,588	1,123,258	821,781	301,477
Excess (deficiency) of revenues over expenditures	(523,506)	(351,179)	172,327	(719,495)	(595,706)	123,789
Other Financing Sources (Uses):						
Operating transfers in:						
Proposition A fund	0	7,416	7,416	422,385	424,173	1,788
Debt service fund	406,673	305,633	(101,040)	72,200	73,578	1,378
Operating transfers out:						
Proposition A fund	0	(26,922)	(26,922)	0	0	0
Debt service fund	0	(61,711)	(61,711)	0	(4,774)	(4,774)
Proceeds from financing	0	25,000	25,000	0	378,000	378,000
Total other financing sources (uses)	406,673	249,416	(157,257)	494,585	870,977	376,392
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(116,833)	(101,763)	15,070	(224,910)	275,271	500,181
Fund balances, July 1	288,155	288,155	0	12,884	12,884	0
Fund balances, June 30	\$ 171,322	\$ 186,392	\$ 15,070	\$ (212,026)	\$ 288,155	\$ 500,181



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Leading the Way to Greater Mobility

METROLINK



Metrolink's first 3 lines began service on October 26, 1992 after a whirlwind two-year design and construction schedule many engineers initially felt was impossible.

Twelve round-trip trains run each weekday between Moorpark, Pomona and Santa Clarita and downtown L.A. Metrolink's average of 3,300 riders a day has surpassed ridership projections for initial service.

Soon, trains will be added to Oceanside, Riverside and San Bernardino. Eventually, Metrolink will encompass 400 miles of track and 60 stations in five counties, forming the nation's sixth-largest commuter rail network.

Trust and Agency Funds

The Trust and Agency funds are used to account for assets held by the commission as an agent for individuals, private organizations, other governments and/or other funds.

Land Preservation Corporation Expendable Trust Fund—

This fund is used to account for all assets and the maintenance thereof, for the Los Angeles County Transportation Land Preservation Corporation. This wholly-owned corporation was formed exclusively for charitable purposes within the meaning of Section 501 (c) 3 of the Internal Revenue Code of 1986, to accept gifts and donations of real and personal property to be used for public transit purposes.

Deferred Compensation Agency Fund—

This fund is used to account for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

General Fixed Assets Account Group

Los Angeles County Transportation Commission
 Trust and Agency Funds
 Combining Balance Sheet
 June 30, 1992
 (With comparative totals for June 30, 1991)
 (Amounts expressed in thousands)

Exhibit E-1

	Expendable Trust		Agency		Totals	
	Land Preservation Corporation	Deferred Compensation	Deferred Compensation		1992	1991
Assets						
Cash	\$ 25	\$ 0	\$ 0	\$ 25	\$ 25	\$ 25
Cash and investments with fiscal agents	0	2,174	2,174		2,174	1,374
Total Assets	\$ 25	\$ 2,174	\$ 2,174	\$ 2,199	\$ 2,199	\$ 1,399
Liabilities						
Interfund payable	\$ 25	\$ 0	\$ 0	\$ 25	\$ 25	\$ 25
Deferred compensation benefits payable	0	2,174	2,174		2,174	1,374
Total Liabilities	\$ 25	\$ 2,174	\$ 2,174	\$ 2,199	\$ 2,199	\$ 1,399

Los Angeles County Transportation Commission
Land Preservation Corporation Expendable Trust Fund
Comparative Balance Sheets
June 30, 1992 and 1991
(Amounts expressed in thousands)

Exhibit E-2

	<u>1992</u>	<u>1991</u>
<u>Assets</u>		
Cash	\$ <u>25</u>	\$ <u>25</u>
 <u>Liabilities</u>		
Interfund payable	\$ <u>25</u>	\$ <u>25</u>

Los Angeles County Transportation Commission
 Deferred Compensation Agency Fund
 Statement of Changes in Assets and Liabilities
 For the fiscal year ended June 30, 1992
 (Amounts expressed in thousands)

Exhibit E-3

	<u>Balance</u> <u>July 1, 1991</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1992</u>
Assets				
Cash and investments with fiscal agent	\$ <u>1,374</u>	\$ <u>800</u>	\$ <u>0</u>	\$ <u>2,174</u>
Liabilities				
Deferred compensation benefits payable	\$ <u>1,374</u>	\$ <u>800</u>	\$ <u>0</u>	\$ <u>2,174</u>

Los Angeles County Transportation Commission
 Comparative Schedule of General Fixed Assets—By Source
 June 30, 1992 and 1991
 (Amounts expressed in thousands)

Exhibit F-1

	<u>1992</u>	<u>1991</u>
General Fixed Assets:		
Land	\$ 475,179	\$ 475,179
Rail Lines & Site Improvements	479,274	479,274
Buildings & Stations	170,273	165,308
Light Rail Vehicles	87,574	87,574
Other Equipment	49,242	45,126
Leasehold Improvements	1,605	833
Equity in JPA/SCRRA		
Contributed Capital – SCRRA	56,074	0
Construction in Progress:		
Metro Green Line	169,380	53,024
Metro Rail MOS – 1	396,131	171,218
Metro Rail MOS – 2	225,180	43,159
Metro Rail MOS – 3	4,332	2,924
Other	<u>257,806</u>	<u>193,350</u>
Total General Fixed Assets	<u>\$ 2,372,050</u>	<u>\$ 1,716,969</u>
Investments in General Fixed Assets by Source:		
General Fund	\$ 7,698	\$ 5,415
Capital Projects Fund	<u>2,364,352</u>	<u>1,711,554</u>
Total Investment in General Fixed Assets	<u>\$ 2,372,050</u>	<u>\$ 1,716,969</u>

Los Angeles County Transportation Commission
 Schedule of General Fixed Assets – By Activity and Function
 June 30, 1992
 (Amounts expressed in thousands)

Exhibit F-2

<u>Activity and Function</u>	<u>Administration</u>	<u>Transportation Facilities</u>	<u>Construction in Progress</u>	<u>Total</u>
Land	\$ 0	\$ 475,179	\$ 0	\$ 475,179
Rail Line/Site Improvements	0	479,274	0	479,274
Buildings/Stations	0	170,273	0	170,273
Light Rail Vehicles	0	87,574	0	87,574
Other Equipment	39,050	10,192	0	49,242
Leasehold Improvements	1,605	0	0	1,605
Equity in JPA/SCRRA				
Contributed Capital – SCRRA	0	0	56,074	56,074
Construction in Progress:				
Metro Green Line	0	0	169,380	169,380
Metro Rail, MOS 1	0	0	396,131	396,131
Metro Rail, MOS 2	0	0	225,180	225,180
Metro Rail, MOS 3	0	0	4,332	4,332
Other	0	0	257,806	257,806
Total General Fixed Assets	\$ 40,655	\$ 1,222,492	\$ 1,108,903	\$ 2,372,050

Los Angeles County Transportation Commission
 Schedule of Changes in General Fixed Assets – By Function
 For the fiscal year ended June 30, 1992
 (Amounts expressed in thousands)

Exhibit F-3

<u>Function</u>	<u>General Fixed Assets July 1, 1991</u>	<u>Additions</u>	<u>Transfers</u>	<u>General Fixed Assets June 30, 1992</u>
Administration	\$ 38,316	\$ 2,339	\$ 0	\$ 40,655
Transportation Facilities	1,214,978	2,549	4,965	1,222,492
Equity in JPA/SCRRA Capital contribution	0	56,074	0	56,074
Construction in Progress:				
Metro Green Line	53,024	116,356	0	169,380
Metro Rail, MOS 1	171,218	224,913	0	396,131
Metro Rail, MOS 2	43,159	182,021	0	225,180
Metro Rail, MOS 3	2,924	1,408	0	4,332
Other	193,350	69,421	(4,965)	257,806
Total General Fixed Assets	\$ 1,716,969	\$ 655,081	\$ 0	\$ 2,372,050

THE ART FOR RAIL TRANSIT (A-R-T) PROGRAM



PHOTO: WILLIAM NETTLES PHOTOGRAPHY

I Dreamed I Could Fly is artist Jonathan Borofsky's interpretation of his own dreams of flying. The six fiberglass figures, in the Metro Red Line's Civic Center Station, all resemble the artist. They soar through the high bay area of this station and cast large shadows on the ceiling, accompanied by the occasional peaceful trilling of a bird.

The LACTC's Art for Rail Transit program, funded by Proposition A sales tax revenues, allocates one half of one percent of Metro Rail construction costs to the creation of works of art for rail lines.



Los Angeles County Transportation Commission
 General Government Expenditures by Function (1)
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Table 1

Fiscal Year	Administration	Transportation Subsidy	Capital Outlay	Debt Service	Total
1982-83	\$4,455	\$177,884 (2)	\$0	\$0	\$182,339
1983-84	6,612	232,293	0	0	238,905
1984-85	7,423	263,146	7,168	0	277,737
1985-86	5,972	196,506	65,219	0	267,697
1986-87	6,819	183,188	73,500	37,280	300,787
1987-88	6,918	231,896	212,650	51,854	503,318
1988-89	10,695	243,320	290,986	56,921	601,922
1989-90	11,679	243,278	342,416	50,907	648,280
1990-91	21,370	281,574	824,402	68,852	1,196,198
1991-92	40,391	328,870	669,076	352,308	1,390,645

Source: Comprehensive Annual Financial Reports

Notes:

(1) Includes all governmental fund types.

(2) Voter-approved one-half cent sales tax started in fiscal year 1982-83

Los Angeles County Transportation Commission
 General government Revenues by Source (1)
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Table 2

Fiscal Year	Sales Tax	Licenses	Inter-Governmental	Interest	Misc	Total
1982-83	\$195,128 (2)	\$0	\$3,356	\$1,006	\$0	\$199,490
1983-84	251,233	0	32,750	8,324	146	292,453
1984-85	293,716	0	30,760	11,955	24	336,455
1985-86	305,371	0	29,692	14,819	38	349,920
1986-87	323,000	0	9,365	35,377	176	367,918
1987-88	348,726	0	17,826	82,087	242	448,881
1988-89	372,021	4,852	10,100	80,865	1,573 (3)	469,411
1989-90	398,600	6,422	35,457	68,767	4,478 (4)	513,724
1990-91	442,932	6,023	231,693	50,639	10,766 (5)	742,053
1991-92	720,348	6,611	330,958	48,019	6,049 (6)	1,111,985

Source: Comprehensive Annual Financial Reports

Notes:

- (1) Includes all governmental fund types.
- (2) Voter-approved one-half cent sales tax started in fiscal year 1982-83
- (3) Includes \$718,000 in charges for construction services.
- (4) Includes \$2,897,000 in charges for construction services.
- (5) Includes \$3,268,000 in charges for construction services, \$4,958,000 utilities refund, \$2,644,000 fire loss insurance indemnifications, and two months of voter-approved Proposition C.
- (6) Includes voter-approved one-half cent sales tax Proposition C for the full year.

Los Angeles County Transportation Commission
 Demographic Statistics
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 3

Fiscal Year	Population County of Los Angeles (1)	Population State of California (1)	Population United States (1)	Taxable Sales County of Los Angeles (2)	Unemployment Rate % (3)
1982-83	7,764	24,959	233,267	\$50,782,822	9.7
1983-84	7,867	25,415	235,226	67,473,587	7.9
1984-85	7,953	25,858	237,318	61,656,383	7.0
1985-86	8,155	26,637	240,778	62,378,720	6.7
1986-87	8,404	27,292	241,077	66,078,267	5.9
1987-88	8,556	28,019	245,231	70,185,491	4.9
1988-89	8,650	28,662	247,635	75,136,462	5.1
1989-90	8,770	29,473	249,605	77,706,166	5.2
1990-91	8,989	30,351	250,878	80,285,389	7.1
1991-92	9,087	30,989	253,668	75,417,049	9.8

Source:

(1) California Department of Finance.

(2) State Board of Equalization.

(3) State Department of Employment Development for the County of Los Angeles.

Los Angeles County Transportation Commission
 Historical Debt Service Coverage Ratios
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 4

		Fiscal Year						
		1992	1991	1990	1989	1988	1987	* 1986 – 1983
Net Prop A Sales Tax Revenues	(1)	\$367,707	\$400,400	\$398,600	\$372,100	\$348,200	\$323,000	N/A
Less 25% Local Allocation		91,926	100,100	99,650	93,000	87,050	80,750	
Amounts Available for Debt Service on Sales Tax Bonds		275,781	300,300	298,950	279,100	261,150	242,250	N/A
Aggregate Debt Service		101,392	50,879	50,879	46,338	34,528	10,758	0
Debt Service Coverage Ratio	(2)	2.72x	5.90x	5.88x	6.02x	7.56x	22.52x	N/A

(*) There was no outstanding debt for 1983 – 1986.

(1) As of June 30, only Prop A sales tax had been pledged.

(2) By policy, no more than 30% of Prop A Revenues can be pledged to Debt Service.

**Los Angeles County Transportation Commission
Miscellaneous Statistics
June 30, 1992**

Table 5

Date Organized:	1977.
Form of Government	County Transportation Commission Created by Transportation Commission Act
Number of Employees	520
Area of County:	4,083.21 square miles
Fiscal Year:	July 1 – June 30
Grographical Location:	The County of Los Angeles is located in the southern portion of California and is bordered on the east by Orange and San Bernardino Counties, on the north by Kern County, on the west by Ventura County and on the south by the Pacific Ocean.
Altitude:	9 feet below sea level at Wilmington to 10,080 feet above sea level at Mt. San Antonio.

