

COMPREHENSIVE
ANNUAL
**Financial
report**

**For the Fiscal Year
Ending June 30, 1999**



Los Angeles County Metropolitan Transportation Authority





Los Angeles County
Metropolitan Transportation Authority
Los Angeles, California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1999

Prepared by:
FINANCE

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Year Ended June 30, 1999

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Introductory



December 30, 1999

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

The Board of Directors
Los Angeles County Metropolitan Transportation Authority
Los Angeles, California

The Comprehensive Annual Financial Report for the Los Angeles County Metropolitan Transportation Authority (MTA) for the fiscal year ended June 30, 1999 is submitted herewith. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the MTA. 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 MTA. All material disclosures necessary to enable the reader to gain an understanding of the MTA'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 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 MTA 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-133. Information related to the Single Audit, including the schedule of federal awards, 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 MTA is the principal transportation agency in Los Angeles County and is unique as a transportation agency with broad responsibilities in the areas of planning, programming, operations, and construction. The MTA is responsible for the planning and programming of funds for and constructing and operating all major aspects of ground transportation in Los Angeles County including (1) highway construction and traffic flow management; (2) subway and light rail construction; (3) bus and rail transit services; (4) alternative modes of transportation; (5) research and development of alternative energy sources for transit vehicles; and (6) air quality, environmental impact, land use and economic development decisions.

The MTA is the nation's second largest provider of public transportation. The MTA's bus system provides service to over 1.1 million bus passengers daily with over 71.4 million vehicle service miles. The entire fleet is wheelchair accessible and over 30% is powered by CNG.

The MTA's Metro Rail system consists of the following three lines:

- Metro Blue Line - a 22-mile light rail system connecting Long Beach to Los Angeles. This light rail line serves approximately 57,000 weekday passengers.
- Metro Red Line - a 11 mile heavy rail subway system running through downtown Los Angeles from the Gateway Transit Center/Union Station to Hollywood and Vine. The western branch extends along Wilshire to Western. This heavy rail line serves approximately 58,000 weekday passengers.
- Metro Green Line - a 20-mile light rail system linking Norwalk, the Metro Blue Line, El Segundo and Redondo Beach. This light rail line serves approximately 20,000 weekday passengers.

The MTA also funds various commuter and motorist assistance programs. One such program is the Freeway Service Patrol that provides free motorist assistance through a fleet of 144 tow trucks which patrol LA County freeways to alleviate congestion by assisting stalled vehicles. Another program is the Metro Call Box program servicing 4,000 call boxes along more than 500 miles of freeways and state highways in Los Angeles County.

Highway programs are a key element of MTA services. These programs include the development of High Occupancy Vehicle (HOV) lanes for carpools, buses and vanpools, and Smart Streets which are computerized systems for monitoring traffic flow and providing information to adjust signals to maximize vehicle speeds.

The MTA provides countywide coordinated services for persons with disabilities through Access Services Incorporated. The MTA also supports an extensive system

of bike lanes and park-and-ride centers strategically placed throughout the county for access to rail and bus service.

In 1995, the MTA opened the Gateway Transit Center at historic Union Station. The Gateway Transit Center continues the transformation of downtown Los Angeles into Southern California's commercial and transportation hub. The center connects Los Angeles County through regional and local bus service and links Los Angeles to neighboring counties by providing easy connections for commuters using Metro Rail, Amtrak, Metrolink, the El Monte Busway, as well as vanpools, carpools and taxis.

Blended component units, although legally separate entities, are, in substance, part of the MTA's operations and are included as part of the MTA's financial reporting. Accordingly, the activities of the Public Transportation Service Corporation (PTSC), the PTSC-MTA Risk Management Authority (PRMA), two Benefit Assessment Districts (BADs), a Single-Employer Public Retirement System and the LACMTA Leasing Authority are included as blended component units in the general purpose financial statements.

Major Initiatives - Operations

The MTA's Metro Bus system serves an estimated 1.1 million passengers daily. The goals and objectives of the MTA are to improve bus service by providing additional new buses, better equipment, better maintenance and better on-street supervision. These strategies will reduce overcrowding and improve the overall quality of the bus service. To achieve these objectives a total of 437 new buses will be delivered over the next 12 months. These buses are the first of the 2,095 new buses the MTA will receive in the next four years. Since December 1998 the MTA has put more than 200 additional buses into service. New buses are arriving weekly and better on time performance is being achieved. Significant improvements are also being made as a result of reduced breakdowns that resulted in service disruptions. In May 1999 the MTA recorded 6,192 mean miles between mechanical breakdowns compared with 3,158 miles in May 1998. In-service on time performance has also improved and a drop in customer complaints is a sign that service is getting better.

The Operations unit has developed the following goals and objectives to make the bus system better, safer, faster and more affordable. The MTA adopted a bus system improvement plan with several proposed projects/programs. The plan is designed to improve service to the transit dependent and expand mobility options throughout the county. The key elements of the plan include the development of a detailed market research and public outreach program, redistributing service, and identifying new fare technology and methods of payment. The MTA also approved an annual program to improve service on overcrowded lines for the transit dependent as part of the bus system improvement plan.

The goals of the plan are to:

- **Reduce Crowding:** The MTA's loads are higher than other local service providers. Goals have been set to reduce crowding by adding additional buses to its fleet.
- **Improve Reliability:** Reliability will be improved by stricter adherence to schedules which increases customer satisfaction.
- **Improve Fleet Cleanliness:** The quality of service will be improved by reducing graffiti and discouraging tagging.

Other plans and goals to improve operations are:

- Update the transit radio system that will provide an integrated bus radio communication system .
- Global Positioning System (GPS) to be installed on all buses so that MTA's Central Dispatch can know the accurate location of each bus in service.
- Internal message signs for improved communication; cameras for improved security; and voice annunciators for both improved communication and security.
- Development and design of lighter, safer and more passenger friendly buses. One way is the continued participation in a public/private joint venture between Northrop and the MTA for continued testing of the Advanced Technology Transit Bus.
- Design and develop a more efficient, dependable, cost-saving power plants for buses.

Major Initiatives - Construction

The MTA completed the extension of the Metro Red Line into Hollywood in June 1999. The Hollywood extension is made up of three stations along Vermont Avenue and two stations along Hollywood Boulevard. All of the rail stations are designed to appeal to the public and enhance the surrounding areas. The Hollywood and Vine station is designed to evoke the history, glamour and excitement of the Hollywood film industry in all its glamour. The station interior is a "star-studded" design with various artifacts and references to the film industry. The Hollywood extension is a significant achievement for the MTA. The subway system is designed to provide fast, safe and efficient travel alternative to driving. The stations of the Metro Red Line Hollywood extension are new major components of the multi-modal Metro system of buses and trains. Metro Rail line riders are now able to transfer to bus, commuter rail and light

rail lines through out the rail and bus network. The Hollywood segment is also a driving force in the revitalization of the Hollywood business district and community.

Tunneling has been completed and construction remains on schedule for the North Hollywood extension of the Metro Red Line subway. The completion date is scheduled for the Summer of 2000. This 6.4 mile project has three stations and begins west of the Hollywood/Vine Station, continues west under Hollywood Boulevard to Highland and north under the Santa Monica mountains to its terminus in North Hollywood.

The Pasadena Blue Line, a 13 mile light rail line connecting downtown Los Angeles and Pasadena, will be completed by the Pasadena Metro Blue Line Construction Authority (PMBLCA), an independent agency. Construction of this line had been initiated by the MTA in 1994. In January 1999, the State legislature created the PMBLCA and assigned it the responsibility for line's completion. When completed in 2003, the MTA will assume the rail line assets and all operating responsibilities.

Street and Highway-Initiatives

In addition to bus and rail projects, the MTA has made commitments to improve street and highway travel. The MTA commitments to improving and managing street and highway traffic include funding the following projects that are underway:

- **Tow Truck Service:** Tow trucks patrol, dispatched to the most congested corridors to rapidly relieve traffic tie-ups on freeways.
- **Call-Box System:** Upgrading and expanding the 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.
- **HOV Lanes:** Greatly expanding the HOV system, most of the new HOV freeway projects in Los Angeles County are funded by the MTA.
- **Park-and-Ride Lots:** Convenient and safe lots strategically placed to facilitate using public transportation systems such as rail and bus.
- **Bikeways:** Seeking ways to expand and improve the bikeway system throughout the County.

Industry Trends and Practices

The MTA is considered a leader in the industry in testing new technology and exploring new innovations in the world of transit. This year alone, the MTA proved to be on the cutting edge in several different areas.

After five years of research and development, the MTA in cooperation with Northrop Grumman Corporation and the Federal Transit Administration, unveiled the first prototype of the Advanced Technology Transit Bus (ATTB). Using advanced technologies developed in the aerospace industries, the ATTB is expected to be more reliable, fuel-efficient and produce lower emissions than a conventional CNG-powered bus. Ultimately, the ATTB is expected to provide longer service to the MTA and other transit operators around the country.

The MTA recently celebrated the opening of the nation's first "Smart Transportation Corridor." This integration of communication resources using new and existing computer systems, video cameras and roadway sensors is a cooperative effort of Caltrans, California Highway Patrol (CHP) and the City of Los Angeles Department of Transportation (LADOT). Millions of motorists who travel along the Santa Monica Corridor every week now get up-to-the-second information that should increase the average speed on the Santa Monica Freeway .

Long Range Plan

The MTA's Long Range Plan was adopted in 1995. That Plan's vision was to develop a multimodal system that better serves the needs of transit dependent riders, while also providing a network that will attract solo drivers out of their cars, primarily through faster transit speeds, improved quality of service and more commute choices.

Some of the major elements of the Long Range Plan include:

- Maintaining existing revenue sources and aggressively pursuing new transportation revenues for Los Angeles County.
- Improving bus transit service by targeting highly transit dependent areas with better, more frequent service, funding flexible transit options such as smart shuttles, vans, community based transit and various other alternatives, adding more new buses to the total countywide peak bus fleet to improve service quality in high demand areas and as rail lines open, eliminating duplicate bus routes and reallocating buses for other needed service.
- Completing the current construction of the Los Angeles County's rail network and reviewing and investigating the areas that could be better served by extending the current or building additional light rail or other fixed guideway systems in Los Angeles County.

- Improving highway transit speeds and service by constructing additional miles of HOV lanes and gap closures on freeways and major streets.
- Participating as a financial partner in the Alameda Corridor Project to help ensure the economic success of the region by facilitating the efficient movement of goods.
- Promoting changes in behaviors of the commuting public by exploring and advancing policies that discourage single occupancy vehicle travel and encourage greater reliance on public transportation, ridesharing and innovative alternatives such as telecommuting.
- Implementing cost savings measures to increase the cost efficient delivery of both transit services and capital projects.

The plan proposed a investment in Los Angeles County's transportation future that was funded with a variety of local, state and federal revenues. The plan identified the majority of funding as coming from local sources. The delivery of all projects and programs in the Long Range Plan is dependent upon the availability of local, state and federal revenues at the levels projected. Major changes in state or federal policy or unanticipated shifts in the economy will impact the implementation of the plan. The Long Range plan is scheduled to be updated in FY 2000.

Revenue Trends Economic Condition and Outlook

In determining the MTA's financial capacity to fund future transportation programs and projects, the agency makes projections of future revenues based on past funding levels, inflation, growth in sales tax, revenue from service and an assessment of state and federal funding possibilities. The MTA bases its future funding assumptions on economic projections used by various governmental agencies such as the annual UCLA Business Forecasting Project.

According to UCLA, Los Angeles County remains on track in its recovery with a steady rebound to pre-recession levels. Retail sales data released by the U.S. Department of Commerce indicates steady growth from one year ago, while consumer confidence is at its highest point in six years. Unemployment has been inching its way down to approximately 5% since reaching its 1996 peak of 8.5% . This general economic recovery in Southern California during the past three years is evident in higher Proposition A and Proposition C sales tax revenues. Modest sales tax increases are forecast for fiscal years 2000 and beyond. Proposition A and C sales tax revenues, the MTA's largest funding sources, are shown below (in thousands).

Fiscal Year	Combined Prop A & C
1991-92	\$720,348
1992-93	739,724
1993-94	715,117
1994-95	768,168
1995-96	811,472
1996-97	822,753
1997-98	880,250
1998-99	901,286

Budgeting Controls

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. The legal level of budgetary control is at the fund level. Comprehensive multi-year plans are adopted when major capital projects are approved and this provides project-length budgetary control in the capital project funds. The portion of costs expected to be incurred on each project during the fiscal year are included in annual appropriations. The MTA also maintains an encumbrance accounting system as another tool of budgetary control. Open encumbrances at year end are reappropriated as part of the following year's budget.

Summary of Resources

The following tabulation summarizes the MTA revenues and other financing sources (all governmental fund types), other than operating transfers, for the year ending June 30, 1999. Also presented is a comparison for such amounts with the prior year (in thousands).

<u>Resources</u>	<u>1998/99</u>	Percent of <u>Total</u>	<u>1997/98</u>	Increase <u>(Decrease)</u>
Sales Tax	\$1,167,642	74%	\$1,131,676	\$35,966
Intergovernmental	322,984	21%	381,089	(58,105)
Licenses	6,844	01%	6,047	797
Interest	49,842	03%	60,761	(10,919)
Lease & Other	<u>21,252</u>	<u>01%</u>	<u>10,618</u>	<u>10,634</u>
Total	<u>\$1,568,564</u>	<u>100%</u>	<u>\$1,590,191</u>	<u>\$(21,627)</u>

Sales tax revenue increases are due to the upturn in the Los Angeles County economy. Sales tax revenue includes Proposition A, Proposition C, TDA and STA funds.

Intergovernmental revenue decreases are due primarily to decreases in construction expenditures. Federal and State grant revenues are realized on a cost reimbursement

basis. Construction expenditures have decreased compared to last year with the completion of Hollywood segment of the Metro Red Line subway.

Summary of Expenditures

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

<u>Expenditures</u>	<u>1998/99</u>	<u>Percent of Total</u>	<u>1997/98</u>	<u>Increase (Decrease)</u>
Administration	\$60,029	5%	\$80,215	\$(20,186)
Transportation				
Subsidies	529,845	41%	509,698	20,147
Capital Outlay	377,965	30%	523,872	(145,907)
Debt Service/Other	<u>302,283</u>	<u>24%</u>	<u>219,351</u>	<u>82,932</u>
Total	<u>\$1,270,122</u>	<u>100%</u>	<u>\$1,333,136</u>	<u>\$(63,014)</u>

The decrease in administrative costs is due primarily to downsizing as a result of finishing the construction projects.

Capital outlays decreased due to the completion of the Hollywood segment of the Metro Red Line and suspension of other rail lines.

Debt Service and other expenses increased as refunding bonds were issued to refinance previously issued sales tax revenue bonds and commercial paper notes were retired.

Financial Information

Management of the MTA is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the MTA 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 the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Cash Management

The MTA's investment policy affords the MTA a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Section 53600, et. seq. The MTA has invested in U. S.

Treasury Securities, Commercial Paper, Corporate Notes and Bonds and other secure investments.

Operating funds are maintained in commercial banks where idle balances are invested as permitted by State law in certificates of deposit, and money market accounts and other investments.

Restricted cash and investments with fiscal agents represents restricted monies held by Trustees for payment of debt service, principal and interest expense. Also included in this category are funds set aside for cost overruns on capital projects and reserves for self insured public liability, property damage and workers' compensation claims.

Risk Management

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

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

Debt Administration

At June 30,1999, the MTA had \$3,638,903,000 of outstanding debt. These issues included sale tax revenue bonds, sale tax revenue refunding bonds, general revenue bonds, certificates of participation, lease revenue bonds and redevelopment bonds. The MTA has maintained its A-1, AA-, and A+ ratings from Moody's, S&P, and Fitch respectively. Such ratings are subject to revision or withdrawal at anytime by the rating agencies.

The MTA issued \$146,505,000 of sales tax revenue bonds this year to provide funding for construction projects. The MTA also issued \$25,000,000 of commercial paper notes and \$481,040,000 of sales tax revenue refunding bonds to take advantage of lower interest rates. Total interest payments over the next 27 years have been reduced by \$27,401,000 as a result of these refundings.

Independent Audit

The MTA is required to have an annual audit by independent certified public accountants. PricewaterhouseCoopers LLP 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-133. The auditor's report on the general purpose financial statements is included in the Financial Section of this report. Reports related specifically to the Single Audit have been issued under separate cover.

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 MTA's staff and management during the year 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.

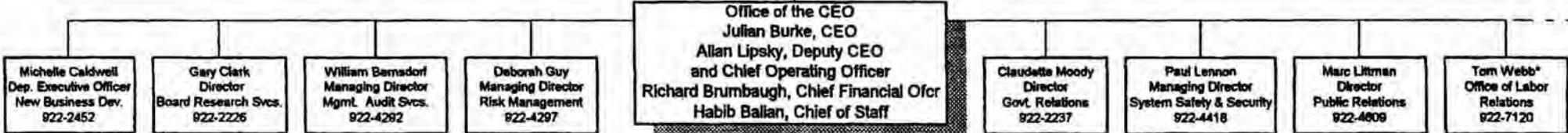
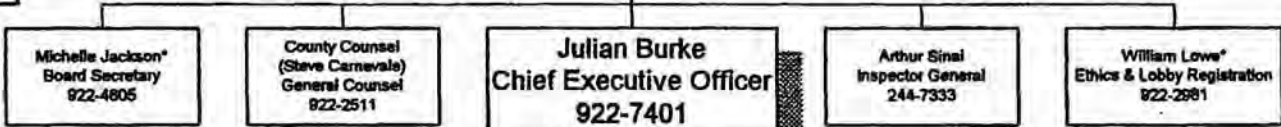
Submitted by:



Richard Brumbaugh
Chief Financial Officer



**MTA
Board of Directors**



Charles Clark
Executive Officer
Engineering
& Construction
922-7220

Thomas Connor
Executive Officer
Operations
922-4310

Terry Matsumoto
Executive Officer, Finance
922-2473

Michael O'Connor
Executive Officer
Procurement, Labor &
Contract Compliance
922-1030

Frank Gendron
Executive Officer
Administration
922-7431

James De la Liza
Executive Officer
Regional Transportation
Planning & Development
922-3071

Ray Inge*
Executive Officer
Human Resources
922-7123

12

Gwendolyn Williams
Dep. Executive Officer
Construction Admin
922-7504

Henry Fuks
Dep. Executive Officer
Construction
922-7282

Jeff Christiansen
Dep. Executive Officer
Program Management
922-7342

Joel Sandberg
Dep. Executive Officer
Engineering
922-7223

Alfonso Rodriguez
Dep. Executive Officer
Red Line Seg 2
922-7154

Dennis Mori
Dep. Executive Officer
Red Line Seg 3- N. Hwd
922-7238

William Moore
Director of Quality
922-7388

Richard Hunt
Dep. Executive Officer
Metro Bus Maintenance
922-4801

Daniel Ibarra
Dep. Executive Officer
Metro Bus Transportation
922-4414

Ralph de la Cruz
Dep. Executive Officer
Rail Operations
922-4322

Gary Spivack
Director
Operations Support Svcs.
922-4035

Wayne Moore
Dep. Executive Officer
Office of Mgmt & Budget
922-7355

Agapito Diaz
Director
Revenue
922-7863

Josie Nicasio
Controller
922-8810

Terry Matsumoto
Treasurer
922-2473

Anne Fischer
Dep. Executive Officer
Contract Administration-
Procurement
922-1031

Richard Carron
Dep. Executive Officer
Contracting Officer/
Technical Representative
922-1040

Ted Montoya
Dep. Executive Officer
Material Management
922-1020

Rudy Leflore
Director
Compliance
922-3699

David Champion
Chief Estimator
Major Procurements
922-7376

John Drayton
Manager
Vehicle & Equip Acquis
Warranty Claims
922-4312

Elizabeth Bennett
Dep. Exec. Officer (CIO)
Information Technology
Services
922-4522

Warren Morse
Dep. Executive Officer
Marketing & Customer
Relations
922-5681

Brian Soto
Director
General Services
922-4780

Velma Marshall
Director
Real Estate
922-2415

Don Stiner
Director
Year 2000 Project
922-7363

Frank Flores
Dep. Executive Officer
Capital Development &
Programming
922-2458

Keith Killough
Dep. Executive Officer
Countywide Planning
922-2627

Robert Cashin
Dep. Executive Officer
Transp. Development &
Implementation
922-3006

Dana Woodbury
Dep. Executive Officer
Ops Planning & Scheduling
Consent Decree Compl.
Ofcr.
922-4207

Naomi Nightingale
Director
Human Resources
922-5256

Rudy Lipscomb
Assistant Director
Employee Relations
922-4814

Herninio Vargas
Manager
Equal Employment Opty
922-2834

Amy VanderBreggen
Manager
Class & Comp
922-5223

Notes:

* Acting/interim appointment

** Ray Inge is also designated Affirmative Action Officer and reports directly to the CEO.

*** Michael O'Connor is also designated Labor and Contract Compliance Officer and in such role reports directly to the CEO.



**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

COUNTY OF LOS ANGELES

Supervisor Michael Antonovich	-	Fifth District
Supervisor Yvonne Burke, Chair	-	Second District
Supervisor Don Knabe	-	Fourth District
Supervisor Gloria Molina	-	First District
Supervisor Zev Yaroslavsky	-	Third District

CITY OF LOS ANGELES

Richard Riordan, 2nd Vice Chair	-	Mayor, Los Angeles
Councilman Hal Bernson	-	12 th District
Jaime de la Vega (Mayor's Appointee)	-	Private Sector
Jose Legaspi (Mayor's Appointee)	-	Private Sector

LOS ANGELES COUNTY CITY SELECTION COMMITTEE

Councilman James Cragin, 1st Vice Chair	-	Gardena
Councilman John Fasana	-	Duarte
Councilwoman Jenny Oropeza	-	Long Beach
Mayor Frank C. Roberts	-	Lancaster

EX-OFFICIO MEMBER APPOINTED BY THE GOVERNOR

Tony V. Harris

CONSTRUCTION COMMITTEE EX-OFFICIO MEMBERS

George Battey, Jr.
William Dahl

Mailing Address
One Gateway Plaza
Los Angeles, CA 90012
Phone: 213-922-4601
Fax No. 213-922-4594



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Financial

REPORT OF INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
400 South Hope Street
Los Angeles CA 90071-2889
Telephone (213) 236 3000

The Board of Directors
Los Angeles County Metropolitan Transportation Authority

In our opinion, the accompanying general-purpose financial statements present fairly, in all material respects, the financial position of the Los Angeles County Metropolitan Transportation Authority (the "MTA") as of June 30, 1999 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. These general-purpose financial statements are the responsibility of the MTA's management; our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall general-purpose financial statement presentation. We believe that our audit provide a reasonable basis for the opinion expressed above.

The year 2000 supplementary information on page 62 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board ("GASB"), and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because the disclosure criteria specified by GASB Technical Bulletin 98-1 ("TB 98-1"), as amended, are not sufficiently specific and, therefore, preclude the prescribed procedures from providing meaningful results. In addition, we do not provide assurance that the MTA is or will become year 2000 compliant, that the MTA's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the MTA does business are or will become year 2000 compliant.

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

The statistical data on pages 133 through 149 is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the MTA. Such additional information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 1999 on our consideration of the MTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

PricewaterhouseCoopers JLD

December 17, 1999

General Purpose Financial Statements

**Los Angeles County Metropolitan Transportation Authority
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999
 (Amounts expressed in thousands)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and other debits				
Assets:				
Cash and cash equivalents (Note 3)	\$ 20,430	\$ 418,593	\$ 4,120	\$ 83,901
Investments (Note 3)	-	-	-	4,311
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	-	403
Intergovernmental	15,057	64,514	-	130,059
Sales Tax	-	58,570	-	-
Interest	82	2,395	2,411	740
Benefit assessment	-	-	-	-
Leases and other	736	605	2,563	7,763
Interfund receivable (Note 10)	-	149,223	-	-
Inventories	-	-	-	-
Prepaid items and other assets	3,629	-	-	3,920
Restricted assets:				
Cash and cash equivalents (Note 3)	-	-	142,282	15,162
Investments (Note 3)	-	-	70,726	21,319
Fixed assets - net (Note 4)	-	-	-	-
Other Debits:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	\$ 39,934	\$ 693,900	\$ 222,102	\$ 267,578

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	
\$ 109,420	\$ 46,305	\$ -	\$ -	\$ -	\$ 682,769
-	-	-	-	-	4,311
13,761	-	-	-	-	14,164
47,185	22,347	-	-	-	279,162
-	-	-	-	-	58,570
1,247	378	3,194	-	-	10,447
-	-	624	-	-	624
171	1,124	1,295	-	-	14,257
2,686	-	-	-	-	151,909
52,865	-	-	-	-	52,865
5,414	69	-	-	-	13,032
50,414	-	21,774	-	-	229,632
123,393	-	705,175	-	-	920,613
4,592,172	141,007	-	2,784,776	-	7,517,955
-	-	-	-	109,633	109,633
-	-	-	-	3,299,215	3,299,215
\$ <u>4,998,728</u>	\$ <u>211,230</u>	\$ <u>732,062</u>	\$ <u>2,784,776</u>	\$ <u>3,408,848</u>	\$ <u>13,359,158</u>

(continued)

Los Angeles County Metropolitan Transportation Authority
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999
(Amounts expressed in thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, equity and other credits				
Liabilities:				
Accounts payable	\$ 1,803	\$ 38,430	\$ 571	\$ 54,214
Accrued liabilities	9,842	30,694	235	35,239
Claims and judgement payable (Note 12)	-	-	-	20,785
Interfund payable (Note 10)	-	31,248	-	106,198
Accrued interest payable	-	-	73,893	-
Compensated absences payable (Note 9)	-	-	-	-
Bonds and notes payable - current	-	-	37,770	-
Due to other governments	-	675	-	-
Deferred revenues	13,344	-	-	18,130
Other liabilities	55	-	-	334
Post-retirement benefits payable (Note 9)	-	-	-	-
Liabilities for retirement income plan	-	-	-	-
Bonds and notes payable (Note 5)	-	-	-	-
Total liabilities	<u>25,044</u>	<u>101,047</u>	<u>112,469</u>	<u>234,900</u>
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Retained earnings (deficit)	-	-	-	-
Capital grants (contributed capital):				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Fund balances:				
Reserved for memoranda of understanding (Note 14)	-	540,108	-	-
Reserved for encumbrances (Note 14)	11,316	-	-	374,615
Reserved for prepaid and other assets (Note 14)	3,629	-	-	3,920
Reserved for debt service (Note 14)	-	-	109,633	-
Reserved for employee retirements (Note 14)	-	-	-	-
Unreserved, undesignated	(55)	52,745	-	(345,857)
Total equity (deficit) and other credits	<u>14,890</u>	<u>592,853</u>	<u>109,633</u>	<u>32,678</u>
Total liabilities, equity and other credits	<u>\$ 39,934</u>	<u>\$ 693,900</u>	<u>\$ 222,102</u>	<u>\$ 267,578</u>

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	
\$ 30,715	\$ 31,008	\$ 13,993	\$ -	\$ -	\$ 170,734
12,319	20,857	6,975	-	-	116,161
170,836	1,626	-	-	-	193,247
14,463	-	-	-	-	151,909
6,163	-	2,953	-	-	83,009
31,178	16,732	-	-	-	47,910
17,665	-	-	-	-	55,435
-	-	-	-	-	675
9,399	-	-	-	-	40,873
-	-	-	-	-	389
70,004	-	-	-	-	70,004
-	-	53,041	-	-	53,041
174,620	-	-	-	3,408,848	3,583,468
<u>537,362</u>	<u>70,223</u>	<u>76,962</u>	<u>-</u>	<u>3,408,848</u>	<u>4,566,855</u>
-	-	-	2,784,776	-	2,784,776
(89,094)	-	-	-	-	(89,094)
1,630,240	-	-	-	-	1,630,240
300,688	-	-	-	-	300,688
2,619,532	141,007	-	-	-	2,760,539
-	-	-	-	-	540,108
-	-	-	-	-	385,931
-	-	-	-	-	7,549
-	-	-	-	-	109,633
-	-	655,100	-	-	655,100
-	-	-	-	-	(293,167)
<u>4,461,366</u>	<u>141,007</u>	<u>655,100</u>	<u>2,784,776</u>	<u>-</u>	<u>8,792,303</u>
\$ <u>4,998,728</u>	\$ <u>211,230</u>	\$ <u>732,062</u>	\$ <u>2,784,776</u>	\$ <u>3,408,848</u>	\$ <u>13,359,158</u>

Los Angeles County Metropolitan Transportation Authority
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
For the year ended June 30, 1999
(Amounts expressed in thousands)

Exhibit 2

	Governmental Funds				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Sales tax	\$ -	\$ 1,167,642	\$ -	\$ -	\$ 1,167,642
Intergovernmental	1,673	93,031	3,403	224,877	322,984
Investment income	1,049	31,577	10,851	6,365	49,842
Net appreciation (decline) in fair value of investments	(197)	(2,215)	(157)	(92)	(2,661)
Lease and rental	7,070	-	-	1,600	8,670
Licenses and fines	429	6,415	-	-	6,844
Other	7,663	1,713	1,449	4,418	15,243
Total revenues	17,687	1,298,163	15,546	237,168	1,568,564
Expenditures:					
Current:					
Administration and other	16,172	7,814	-	36,043	60,029
Transportation subsidies	15,143	514,702	-	-	529,845
Capital Outlay	-	-	-	377,965	377,965
Debt service:					
Interest and fiscal charges	-	-	169,011	-	169,011
Bond issuance costs	-	-	909	-	909
Bond principal & Commercial Paper-Retirement	-	-	130,757	-	130,757
Joint development expenditure	-	-	1,606	-	1,606
Total expenditures	31,315	522,516	302,283	414,008	1,270,122
Excess (deficiency) of revenues over expenditures	(13,628)	775,647	(286,737)	(176,840)	298,442
Other financing Sources (Uses):					
Operating transfers in	19,002	74,717	194,725	134,577	423,021
Operating transfers out	(3,864)	(783,850)	(2,425)	(154,592)	(944,731)
Proceeds from financing	-	-	106,702	193,443	300,145
Proceeds of refunding bonds	-	-	330,700	-	330,700
Payment to refunding bond escrow agent	-	-	(342,806)	-	(342,806)
Total other financing sources (uses)	15,138	(709,133)	286,896	173,428	(233,671)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,510	66,514	159	(3,412)	64,771
Fund (deficit) balances - beginning of year	13,380	526,339	109,474	36,090	685,283
Fund balances - end of year	\$ 14,890	\$ 592,853	\$ 109,633	\$ 32,678	\$ 750,054

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



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Los Angeles County Metropolitan Transportation Authority
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 All Governmental Fund Types
 For the year ended June 30, 1999
 (Amounts expressed in thousands)

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales tax	\$ -	\$ -	\$ -	\$ 1,161,495	1,167,642	\$ 6,147
Intergovernmental	9,762	1,673	(8,089)	72,108	92,698	20,590
Investment income	-	1,049	1,049	19,911	31,577	11,666
Net appreciation (decline) in fair value of investments	73	(197)	(270)	-	(2,215)	(2,215)
Lease and rental	9,325	7,070	(2,255)	-	-	-
Licenses and fines	40	429	389	6,000	6,415	415
Other	2,047	7,663	5,616	-	1,697	1,697
Total revenues	21,247	17,687	(3,560)	1,259,514	1,297,814	38,300
Expenditures:						
Current:						
Administration and other	16,090	16,172	(82)	9,624	7,693	1,931
Transportation subsidies	18,318	15,143	3,175	555,676	514,702	40,974
Capital Outlay	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Bond principal	-	-	-	-	-	-
Joint development expenditure	-	-	-	-	-	-
Total expenditures	34,408	31,315	3,093	565,300	522,395	42,905
Excess (deficiency) of revenues over expenditures	(13,161)	(13,628)	(467)	694,214	775,419	81,205
Other financing Sources (Uses):						
Operating transfers in	51,451	19,002	(32,449)	306,981	74,717	(232,264)
Operating transfers out	(1,418)	(3,864)	(2,446)	(780,903)	(783,850)	(2,947)
Proceeds from financing	-	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	50,033	15,138	(34,895)	(473,922)	(709,133)	(235,211)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	36,872	1,510	(35,362)	220,292	66,286	(154,006)
Fund (deficit) balances - beginning of year	13,380	13,380	-	521,575	521,575	-
Fund balances - end of year	\$ 50,252	\$ 14,890	\$ (35,362)	\$ 741,867	\$ 587,861	\$ (154,006)

Debt Service Fund			Capital Project Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,611	3,403	792	550,305	224,877	(325,428)
-	10,851	10,851	-	6,365	6,365
-	(157)	(157)	-	(92)	(92)
-	-	-	-	1,600	1,600
-	1,449	1,449	3,650	4,418	768
<u>2,611</u>	<u>15,546</u>	<u>12,935</u>	<u>553,955</u>	<u>237,168</u>	<u>(316,787)</u>
-	-	-	50,415	36,043	14,372
-	-	-	-	-	-
-	-	-	557,453	377,965	179,488
273,663	169,011	104,652	-	-	-
-	909	(909)	-	-	-
51,076	130,757	(79,681)	-	-	-
-	1,606	(1,606)	-	-	-
<u>324,739</u>	<u>302,283</u>	<u>22,456</u>	<u>607,868</u>	<u>414,008</u>	<u>193,860</u>
(322,128)	(286,737)	35,391	(53,913)	(176,840)	(122,927)
247,333	194,725	(52,608)	394,229	134,577	(259,652)
-	(2,425)	(2,425)	(349,909)	(154,592)	195,317
106,702	106,702	-	200,556	193,443	(7,113)
-	330,700	330,700	-	-	-
(25,000)	(342,806)	(317,806)	-	-	-
<u>329,035</u>	<u>286,896</u>	<u>(42,139)</u>	<u>244,876</u>	<u>173,428</u>	<u>(71,448)</u>
6,907	159	(6,748)	190,963	(3,412)	(194,375)
109,474	109,474	-	36,090	36,090	-
<u>\$ 116,381</u>	<u>\$ 109,633</u>	<u>\$ (6,748)</u>	<u>\$ 227,053</u>	<u>\$ 32,678</u>	<u>\$ (194,375)</u>

Los Angeles County Metropolitan Transportation Authority
Combined Statement of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For the year ended June 30, 1999
(Amounts expressed in thousands)

Exhibit 4

	Proprietary Fund Types		Totals (Memorandum only)
	Enterprise	Internal Service	
Operating revenues:			
Passenger fares	\$ 228,854	\$ -	\$ 228,854
Route subsidies	1,147	-	1,147
Auxiliary transportation	12,275	-	12,275
Charges for services	-	459,371	459,371
Total operating revenues	<u>242,276</u>	<u>459,371</u>	<u>701,647</u>
Operating Expenses:			
Transportation	475,280	-	475,280
Vehicle maintenance	187,645	-	187,645
Non-vehicle maintenance	27,065	-	27,065
General and administrative	125,274	47,478	172,752
Depreciation	159,210	6,889	166,099
Salaries and wages	-	183,615	183,615
Fringe benefits	-	227,176	227,176
Total operating expenses	<u>974,474</u>	<u>465,158</u>	<u>1,439,632</u>
Operating income (loss)	<u>(732,198)</u>	<u>(5,787)</u>	<u>(737,985)</u>
Nonoperating revenues / (expenses):			
Local operating grants	1,488	-	1,488
Federal operating grants	55,845	-	55,845
Investment income	8,152	6,150	14,302
Net appreciation (decline) in fair value of investments	(550)	(159)	(709)
Interest expense	(12,608)	-	(12,608)
Gain (loss) on disposition of fixed assets	(685)	-	(685)
Other	5,536	153	5,689
Total nonoperating revenues	<u>57,178</u>	<u>6,144</u>	<u>63,322</u>
Income (loss) before operating transfer in/out	<u>(675,020)</u>	<u>357</u>	<u>(674,663)</u>
Operating transfers in	528,956	-	528,956
Operating transfers out	-	(7,246)	(7,246)
Net income (loss) for the year	<u>(146,064)</u>	<u>(6,889)</u>	<u>(152,953)</u>
Add back depreciation on assets acquired with capital grants	<u>159,210</u>	<u>6,889</u>	<u>166,099</u>
Increase (decrease) in retained earnings	13,146	-	13,146
Retained earnings (deficit) - beginning of year	(102,240)	-	(102,240)
Retained earnings (deficit) - end of year	<u>\$ (89,094)</u>	<u>\$ -</u>	<u>\$ (89,094)</u>

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

Los Angeles County Metropolitan Transportation Authority
Combined Statement of Cash Flows - All Proprietary Fund Types
For the year ended June 30, 1999
(Amounts expressed in thousands)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals</u>
Cash flow from operating activities:			
Operating loss	\$ (732,883) *	\$ (5,787)	\$ (738,670)
Adjustment to reconcile operating loss to net cash used in operating activities:			
Depreciation	159,210	6,889	166,099
Gain (loss) on disposition of fixed assets	685	-	685
Net effect of changes in:			
Accounts receivable	5,044	-	5,044
Intergovernmental receivable	-	2,732	2,732
Leases and other receivable	(18)	271	253
Interfund receivable	109	28,554	28,663
Inventories	(1,479)	-	(1,479)
Prepaid and other assets	(2,399)	3,398	999
Accounts payables	681	(1,836)	(1,155)
Accrued liabilities	12,105	(12,033)	72
Claims and judgement payable	134,415	(97,530)	36,885
Interfund payable	(29,027)	-	(29,027)
Compensated absences payable	31,178	(35,500)	(4,322)
Deferred revenues	295	-	295
Post retirement benefits payable	70,004	(55,258)	14,746
Net cash used in operating activities	<u>(352,080)</u>	<u>(166,100)</u>	<u>(518,180)</u>
Cash flow from non-capital financing activities:			
Proceeds from operating grants	42,427	-	42,427
Operating transfers in from other funds	528,956	-	528,956
Operating transfers out from other funds	-	(7,246)	(7,246)
Proceeds from sale of miscellaneous obsolete parts and other	5,536	-	5,536
Net cash provided by non-capital financing activities	<u>576,919</u>	<u>(7,246)</u>	<u>569,673</u>
Cash flow from capital and related financing activities:			
Proceeds from capital grants received	9,865	-	9,865
Payment of matured bonds and notes payable	(9,865)	(7,400)	(17,265)
Interest paid on bonds and notes payable	(8,499)	(4,595)	(13,094)
Net cash used in capital and related financing activities	<u>(8,499)</u>	<u>(11,995)</u>	<u>(20,494)</u>
Cash flow from investing activities:			
Proceeds from sales and maturity of investments	124,458	53,944	178,402
Purchase of investments	(234,008)	-	(234,008)
Interest received on investments	6,696	5,760	12,456
Net cash provided by investing activities	<u>(102,854)</u>	<u>59,704</u>	<u>(43,150)</u>
Net increase (decrease) in cash and cash equivalents	113,486	(125,637)	(12,151)
Cash and cash equivalents - beginning of year	<u>46,348</u>	<u>171,942</u>	<u>218,290</u>
Cash and cash equivalents - end of year	<u>\$ 159,834</u>	<u>\$ 46,305</u>	<u>\$ 206,139</u>
Supplemental schedule of noncash investing, capital and financing transactions:			
Transfer of fixed assets from General Fixed Assets Account Group	\$ 1,658,331	\$ -	\$ 1,658,331
Transfer of bonds and notes payable from Internal Service Fund	133,100	(133,100)	-
	<u>\$ 1,791,431</u>	<u>\$ (133,100)</u>	<u>\$ 1,658,331</u>

* - The operating loss includes gain (loss) on disposition of fixed assets

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

Los Angeles County Metropolitan Transportation Authority
Combined Statement of Changes in Plan Net Assets
 For the year ended June 30, 1999 and 1998
 (amount expressed in thousand)

Pension Trust Fund	1999	1998
Additions		
Contributions		
Employer	\$ 14,354	\$ 11,387
Member	8,049	11,788
Total Contributions	<u>22,403</u>	<u>23,175</u>
Investment Income		
From Investing Activities		
Net Appreciation in Fair Value of Investments	72,290	78,431
Investment Income	16,425	19,720
Total Investing Activity Income	<u>88,715</u>	<u>98,151</u>
Less Expenses From Investing Activities	(3,643)	(2,726)
Net Investing Activity Income		
Total Net Investment Income	<u>85,072</u>	<u>95,425</u>
Total Additions	<u>107,475</u>	<u>118,600</u>
Deductions		
Retiree Benefits	142,830	98,530
Administrative Expense	1,041	750
Total Deductions	<u>143,871</u>	<u>99,280</u>
Net Increase (Decrease)	(36,396)	19,320
Net Assets Held in Trust for Pension Benefits		
Beginning of Year	691,496	672,177
End of Year	<u>\$ 655,100</u>	<u>\$ 691,497</u>

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



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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(1) Organization

General

The Los Angeles County (County) Metropolitan Transportation Authority (MTA) is governed by a 14-member Board of Directors (Board). The Board is composed of the five members of the County Board of Supervisors, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles, four members who are either a mayor or a member of a city council and have been appointed by the Los Angeles County City Selection Committee and a non-voting member appointed by the Governor of the State of California.

Reporting Entity

Management has prepared the financial statements of the MTA and its component units. The component units discussed below are included as part of the reporting entity because they are financially accountable to MTA. The blended component units, although legally separate entities are, in substance, part of the MTA's operations and data from these units are combined with financial data of the MTA.

The MTA administers and includes the activities of the Public Transportation Service Corporation (PTSC), the PTSC-MTA Risk Management Authority (PRMA), two Benefit Assessment Districts (BADs), a Single-Employer Public Employees Retirement System, and the LACMTA Leasing Authority, in the accompanying financial statements. They are treated as blended component units and reported in the Proprietary and the Fiduciary Fund types. Additional detailed financial information for each of these entities can be obtained from the MTA Finance Department, One Gateway Plaza, Los Angeles, CA 90012-2932.

PTSC was created in August 1997, to conduct activities essential and helpful to the provision of public transportation in and around Los Angeles county. To achieve this goal the MTA entered into an Acquisition Agreement (The Agreement) under which the planning, programming, administrative, operational management, construction and security functions of MTA were transferred to and acquired by PTSC. Under the Agreement, these functions are provided by PTSC and funded by MTA.

PRMA was established in September 1998 for the purpose of pooling certain self-insured claims and losses and jointly purchasing excess insurance and reinsurance in connection with self-insurance programs for PTSC and MTA.

The Benefit Assessment Districts were formed to assist in the financing of the private sector portion of the County-wide Rail Rapid Transit System. In this capacity the BADs have issued bonds and receive funds to repay the indebtedness from assessments levied on properties within their respective districts.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

The Single-Employer Public Employees Retirement system includes four defined benefit pension plans covering substantially all MTA employees, providing retirement, disability and death benefits.

The LACMTA Leasing Authority is a single purpose Joint Exercise of Powers Authority, created in 1997 to facilitate a lease financing involving 30 subway rail vehicles. The Leasing Authority holds title to the rail vehicles and serves as the head lessor in the transaction structure the Leasing Authority will go out of existence upon conclusion of the leasing transaction, anticipated to be January 22, 2022.

Bus and Rail Operations

The MTA serves as the main source of bus service in all of the County south of the San Gabriel Mountains, except Santa Catalina Island. The MTA operates a vehicle fleet of over 2,200 buses that covers a weekday total of 240,000 revenue service miles over a route system of approximately 3,200 miles carrying approximately 1.1 million weekday passengers.

The MTA also operates three metro rail lines. The Metro Blue Line is a 22 mile light rail line between the cities of Los Angeles and Long Beach. The Metro Green Line is a 20 mile light rail line between the cities of Norwalk and El Segundo. The Metro Red Line is a 5.2 mile heavy rail subway line between Union Station/Gateway Transit Center and Wilshire Boulevard at Western and extends another 5.7 miles from Wilshire Boulevard at Vermont Avenue to Hollywood Boulevard and Vine Street.

Planning and Programming

The MTA is responsible for the programming and administration of all regional surface transportation funds in the County. In accordance with State regulations and Memoranda of Understanding with bus operators and local municipalities, the MTA is responsible for the programming of monies derived from the State Transportation Act (STA), the Transportation Development Act (TDA), and county-wide sales taxes. The MTA coordinates the operation of all public transportation services including managing transit operating policies among the County's 17 municipal bus operators, developing light, heavy and commuter rail projects and programming regional funds for improvement to the County highway system.

Construction

The MTA is constructing an extension of the Metro Red Line totaling 6.3 miles from Hollywood to North Hollywood.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Joint Development

California statutes authorize the MTA to enter into agreements with public or private entities to plan, finance, and construct projects that are adjacent, or physically or functionally related to rail transit facilities or major bus plazas. The goal of these joint development projects are to secure the most appropriate private and public sector development which will enhance the design, construction and operation of a comprehensive transit system while achieving appropriate returns for the MTA on its investment. Such projects are compatible with, and supportive of plans and economic development objectives of local jurisdictions.

(2) Summary of Significant Accounting Policies

The financial statements of the MTA 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 MTA's accounting policies are described below:

A. Fund Accounting

The MTA utilizes fund accounting to report 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 governmental 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, as described below.

Governmental Funds are used to account for most of MTA's general activities. The measurement focus is determination of changes in financial position, rather than net income determination. The MTA uses the following governmental fund types:

General Fund - The General Fund is used to account for those financial resources which are not required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The financial statements of those Special Revenue Funds that are not required to have a budget have been eliminated from the actual column of the Combined Statement of Revenues, Expenditures and Changes in fund Balances - Budget and Actual.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Capital Projects Funds - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Proprietary Funds are used to account for the MTA's ongoing operations and activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The MTA applied all applicable GASB and FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary Funds include the following fund types:

Enterprise Fund - The Enterprise Fund is used to account for operations which are financed and operated in a manner similar to private businesses where the intent is that costs (including depreciation) of providing goods or services to the general public on a continuing basis be recovered primarily through user charges.

Internal Service Fund - The Internal Service Fund is used to account for the goods and services provided to MTA projects and funds on a cost reimbursement basis.

Fiduciary Funds are used to account for assets held by the MTA in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Fiduciary Funds include the following fund types:

Pension Trust Funds - Pension trust funds account for the assets of the four Defined Benefit Pension Plans that the MTA administers, and are accounted for in essentially the same manner as the Proprietary Funds.

Agency Funds - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus.

Account Groups are used to establish accountability for certain assets and liabilities that are not recorded in specific funds because they do not directly affect net expendable available financial resources. The MTA uses the following account groups:

General Fixed Assets Account Group - This group is established to account for all fixed assets of the MTA, other than those accounted for in the Proprietary Funds.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

General Long-Term Debt Account Group - This group is established to account for all long-term debt of the MTA except that which is a direct obligation of the Proprietary Funds.

B. Basis of Accounting

The modified accrual basis of accounting is used for all governmental, expendable trust and agency funds. Under the modified accrual basis of accounting, revenues (primarily from sales tax) are recorded when susceptible to accrual, which means measurable (amount can be determined) and available (collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period).

The accrual basis of accounting is utilized by all proprietary funds and Pension Trust fund. Under this basis, revenues are recognized when earned and expenses are recorded at the time the liabilities are incurred.

The account groups are self-balancing balance sheet accounts and do not have a specified basis of accounting.

C. Budgetary Accounting

Enabling legislation and adopted policies and procedures provide that the MTA's Board approve an annual budget. Annual budgets are adopted on a basis consistent with general accepted accounting principles for all governmental and proprietary funds, except for the Federal Emergency Management Act fund (FEMA) special revenue fund. The Board also approves a life of project budget whenever a new capital project is approved. Prior to the adoption of the budget, the Board conducts public hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but not later than June 30, adopts the final budget. All appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, project, expense type, and department. The legal level of control is at the fund level and additional appropriations must be approved by the Board. By policy, the Board has provided procedures for management to make revisions within operational or project budgets only when there is no net dollar impact to the total appropriations at the fund level. A re-forecasted budget for operating and capital expenditures are submitted to the Board a minimum of once a year.

The MTA employs the following practices and procedures in establishing budgetary data on a basis consistent with GAAP as reflected in the general purpose financial statements:

- Annual budgets are adopted on the modified accrual basis of accounting for governmental fund types.
- Annual budgets are adopted on the accrual basis for the Enterprise Fund and Internal Service Fund.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

D. Encumbrances

Encumbrance accounting is employed in the General, Special Revenue, and Capital Project Funds. Under this method, purchase orders, contracts, memorandum of understanding (MOU), and other commitments outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored in the subsequent year.

E. Cash and Investments

All investments are stated at fair value. Net increase or decrease in the fair value of investments are shown in the Statement of Revenues, Expenditures and Changes in fund balance for all Governmental Fund types and in the Combined Statements of Revenues, Expenses and Changes in Retained Earnings for the Proprietary Fund and Statement of Changes in revenues for Pension Trust Fund. The calculation of realized gain/loss is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year were included as part of the change in fair value of investments reported in the prior year and the current year.

The MTA maintains a cash and investments fund that is used to pool all unrestricted cash and investments. All governmental and proprietary funds maintain a equity interest in the pool. Each fund's positive equity in the pooled cash and investment account is presented as "Cash and Cash Equivalents" on the combined balance sheets. Negative equity balances have been reclassified and are reflected as interfund receivable/payable. Interest income earned and expenses incurred as a result of investing are allocated to the various funds based on their average monthly equity balances. For purposes of the statement of cash flows, all highly liquid investments, including restricted assets with an original maturity date of 90 days or less when purchased, are considered to be cash and cash equivalents.

F. Interfund Receivable/Payable

Interfund receivable/payable are amounts owed to a particular fund by another fund for loans, advances, or goods or services rendered.

G. Inventories

Inventories, consisting primarily of bus and rail vehicle parts, are valued at weighted average cost. Inventory items are recorded as expenditures when consumed rather than when purchased.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION

Notes to Combined Financial Statements (continued)

June 30, 1999

H. Fixed Assets (Property, Plant and Equipment)

Fixed assets used in governmental fund types of the MTA are recorded in the General Fixed Asset Account Group at cost or estimated historical cost if purchased or constructed. Assets in the General Fixed Asset Account Group are not depreciated. Interest incurred during construction is not capitalized in the General Fixed Assets Account Group.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the General Fixed Asset Account Group or capitalized in the Proprietary Funds.

Property, plant and equipment in the Proprietary Funds are recorded at cost. Major outlays for capital assets and improvements are reflected as expenditures in the Capital Projects Funds.

Depreciation is recorded in the Enterprise Fund using the sum-of-the-years-digits method on all revenue-earning equipment which was acquired before July 2, 1988. Depreciation on all other property, plant and equipment is computed using the straight-line method. Both methods are based upon the estimated useful lives of individual assets. The estimated useful lives of fixed assets are as follows:

	<u>Years</u>
Buildings	30
Rail Cars	25
Buses	12
Other vehicles	5
Bus maintenance and office equipment, and other furnishing	10

Proprietary Fund assets acquired with federal, state and local capital grants (contributed capital) are included in property, plant and equipment, and depreciation on these assets are included in the accompanying statements of operations and amortized against the donated capital accounts.

I. Pension Plans

PTSC provides a defined benefit pension plan for its employees through the California Public Employees' Retirement System (PERS). Employee contributions are currently paid by PTSC.

The MTA has a Single-Employer Public Employees Retirement System which includes four defined benefit pension plans for its employees. All employees except non-contract employees contribute a specified percentage (as recommended by the Plans' actuary) of

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

their annual salaries to the plan in which they participate. The financial statements for these pension plans are included in the Fiduciary Fund Type.

J. Compensated Absences

MTA union represented (contract) employees, which are made up of employees represented by the United Transportation Union (UTU), the Amalgamated Transportation Union (ATU) and the Transportation Communications Union (TCU), accumulate vacation pay and sick leave pay in varying amounts based on memoranda of understanding with the various unions. All outstanding vacation is payable upon termination of employment. TCU employees may request payment of a limited amount of unused sick leave each year. Unused sick leave for contract employees is payable upon retirement or death.

On January 1, 1995, the MTA implemented a combined sick leave/vacation program for non-contract employees. Under this program, sick and vacation leave are combined as time off with pay (TOWP) which accrues at varying rates throughout the year. Previously accumulated vacation and sick leave were considered frozen and remain on the books as a liability. As of January 1, 1997, frozen sick leave may be converted to TOWP, if the employee age is 55 and has five years or more service, at a value of 75%. Payment of all frozen sick leave will be at 100% to the employee's beneficiary upon death.

K. Long-Term Obligations

The portion of long-term debt expected to be financed from available financial resources is reported as a fund liability of the Debt Service Fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

L. Deferred Revenues

Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the MTA before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the MTA has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

M. Total Column

The total column on the combined statements is captioned "Memorandum Only" to indicate that data in this column does not present financial position, results of operations or statement of cash flow in conformity with GAAP. Such data is not comparable to a consolidation since interfund elimination's have not been made.

N. Reclassifications

Comparative data for the prior year has been presented in the selected sections of the accompanying financial statements. Also, certain accounts presented in the prior year's data have been reclassified in order to be consistent with the current year's presentation.

(3) Cash and Investments

At June 30, 1999, the MTA's carrying amount of cash in checking and money market accounts was \$116,064,000 while the bank balance was \$136,365,000 with the difference represented primarily by outstanding checks. Two bank accounts were covered by Federal Deposit Insurance Corporation (FDIC) for up to \$100,000 each and \$136,165,000 was covered by collateral held in the pledging bank's trust department or agent, but not in the MTA's name, therefore classified as Category 3 risk deposits as prescribed by GASB Statement 3.

The California Government Code requires California financial institutions to collateralize 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 be in accordance with Title 5, Division 2, Chapter 4, Article 2 of the Government Code for the State of California. California law also allows financial institutions to secure public fund deposits by pledging first trust deed mortgage notes having a value of 150% of a governmental unit's total deposits. (The MTA may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation).

The MTA 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 circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs...". This policy affords the MTA 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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Investments may be made within the following approved instrument guidelines:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit (or time deposits) placed with commercial banks and/or savings and loans
- Bankers' acceptances
- Los Angeles County Treasurer or other authorized pooled investment programs
- Passbook savings account demand deposits
- Money market accounts
- Repurchase agreements
- Commercial paper
- Corporate notes
- Municipal Bonds
- Mutual funds
- Asset backed Securities
- Mortgage backed Securities

Restricted cash and investments are comprised of assets set aside for funding self-insurance claims, funding of debt, construction cost overruns, and pension benefits. Restricted cash for each of these purposes is held separately and is deposited in cash accounts or invested.

As required by GASB Statement No. 3, the MTA has categorized its investments to give an indication of the level of risk assumed based on the following description:

- Category 1: Insured or registered, or securities held by the Bank's Trust department or its agent in the MTA's name.
- Category 2: Uninsured or unregistered, with securities held by the counter-party's trust department or agent in the MTA's name.
- Category 3: Uninsured or unregistered, with securities held by the counter-party, or by its trust department or agent but not in the MTA's name.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION

Notes to Combined Financial Statements (continued)

June 30, 1999

Investments at June 30, 1999 consisted of the following (in thousands):

Categorized Investments	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$	\$	\$ 72,292	\$ 72,292
U.S. Agency Securities			307,168	307,168
Commercial Paper			124,036	124,036
Corporate Notes & Bonds			92,353	92,353
State and Local Gov't Securities			13,812	13,812
<u>Total Categorized Investments</u>	\$ -	\$ -	\$ 609,661	609,661
<u>Non-Categorized Investments</u>				
Mutual Funds				170,274
Investment Contracts				90,653
Investment Pool				145,498
Pension Plan Investments				705,175
<u>Total Non-Categorized Investments</u>				1,111,600
<u>Total Investments</u>				\$ 1,721,261

A reconciliation of Cash and Investments as shown on the Combined Balance sheet for all funds at June 30, 1999 are as follow (in thousands):

Cash	\$ 116,064
Investments	<u>1,721,261</u>
Total	<u>\$1,837,325</u>
Reported as:	
Cash and cash equivalents	\$ 682,769
Investments	4,311
Restricted cash and cash equivalents	229,632
Restricted investments	<u>920,613</u>
Total	<u>\$1,837,325</u>

The net decrease in fair value of investments reported in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Fund types was \$2,661,000. The net appreciation in fair value of investments reported in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings for the Proprietary Fund types and Fiduciary Fund types was \$71,581,000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(4) Fixed Assets

A summary of changes in the General Fixed Asset Account Group for the year ended June 30, 1999 is as follows (in thousands):

	Balance June 30, 1998	Additions	Transfers	Balance June 30, 1999
Land	\$ 903,417	\$ 267	\$ (117,721)	\$ 785,963
Contributed Capital - SCRRRA	142,297	7,686	-	149,983
Construction in Progress:				
Metro Rail, MOS 2 facilities	1,473,284	107,600	(1,575,679)	5,205
Metro Rail, MOS 3 facilities	962,973	196,128	(283)	1,158,818
Pasadena Line	210,528	1,373	-	211,901
Other construction in progress	620,509	47,087	(194,690)	472,906
Total	<u>\$ 4,313,008</u>	<u>\$ 360,141</u>	<u>\$ (1,888,373)</u>	<u>\$ 2,784,776</u>

The following is a summary of Enterprise Fund and Internal Service Fund fixed assets at June 30, 1999 (in thousands):

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 524,448	\$ -
Building and Structures	3,881,247	142,391
Vehicle	911,609	-
Bus Maintenance and Office Equipment	<u>596,276</u>	<u>21,433</u>
Total Cost	5,913,580	163,824
Less: Accumulated Depreciation	<u>1,321,408</u>	<u>22,817</u>
Net Fixed Assets	<u>\$ 4,592,172</u>	<u>\$ 141,007</u>

(5) Long-Term Debt

Long-term obligations of the MTA consist of sales tax revenue bonds, refunding bonds, certificates of participation, commercial paper notes, and other liabilities payable from governmental and proprietary activities. Long-term obligations also consist of special assessment bonds which are payable from fiduciary (agency) fund activities.

General Long-Term Debt Account Group

A summary description of bonds, notes and other liabilities recorded in the General Long-Term Debt Account Group as of June 30, 1999 follows (see note 6):

Sales Tax Revenue Bonds - Sales Tax Revenue Bonds are Proposition A and C bonds that were issued to provide funds for the acquisition and construction of major capital facilities.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Sales Tax Revenue Refunding Bonds - Sales Tax Revenue Refunding Bonds (Refunding Bonds) were issued to provide funds for retiring previously issued sales tax revenue bonds. Generally, Refunding Bonds are issued to reduce debt service costs of the MTA as a result of more favorable interest rates being available.

Sales Tax Revenue Bonds - Local Allocation - The MTA will assist local governments entities in the county and issue bonds, secured by sales tax revenue pledged by that entity. The Sales Tax Revenue Bonds are secured by funds from Proposition A or C that are allocated to the entity. The necessary funds are deducted from the allocated amount due to the particular entity and forwarded to the respective Bond Trustee by the MTA.

Leveraged Lease Revenue Bonds - Leveraged lease revenue bonds were issued to finance the purchase of light rail cars. 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. 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.

Certificates of Participation - The MTA in association with the California Special Districts Association (CSDA), issued certificates of participation for the purpose of providing supplementary financing for the procurement of buses and other equipment. The MTA is obligated to make lease payments to CSDA, and subsequently sublease the buses to other governmental agencies. These agencies are required to make payments that will equal the amount of the lease payments to the CSDA. In the event the amount received from the governmental agencies does not equal the lease payment to the CSDA, the MTA is required to use other available resources to make such lease payments.

Commercial Paper Notes - The MTA issued commercial paper notes (CPN), taxable and tax exempt, with original maturity dates ranging from seven to 200 days at various interest rates. Under the terms of the notes, MTA can rollover or extend the principal amounts due for one year periods thereafter. It is the intention of the MTA to pay the accrued interest and roll over or reissue the principal amounts as they mature, on a year by year basis. The proceeds from the CPNs were used to finance construction activities including rail construction and land acquisitions.

Redevelopment and Housing Bonds - As part of the MTA's commitment to assist in the revitalization of certain areas in the County, the MTA entered into an agreement with the Community Redevelopment Financing Authority (CRFA) of the Community Redevelopment Agency of the City of Los Angeles (CRA) for financing the Grand Central Square Multi-family Housing and Redevelopment Project. Under this agreement, a housing bond and a redevelopment bond were issued, secured by real property of the Grand Central Square Project. The project is completed and MTA is currently making payments for the debt service related to these bonds.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

General Revenue Bonds - These bonds were issued to finance the cost of the 27-story headquarters building for the MTA, including parking and related improvements.

The following schedule summarizes the changes, which occurred during the year ended June 30, 1999, in the liabilities reported in the General Long-Term Debt Account Group (in thousands):

	Balance June 30, 1998	Additions	Payments	Balance June 30, 1999
Sales Tax Revenue Bonds and Refunding Bonds	\$ 2,728,032	\$ 605,845	\$ 358,602	\$ 2,975,275
Sales Tax Revenue Bonds - Local Allocation	-	21,700	-	21,700
Grand Central Square Bonds				
Redevelopment Bonds	21,665	-	-	21,665
Lease Revenue Bonds	9,448	7	-	9,455
General Revenue Bonds	185,735	-	-	185,735
Lease Revenue Bonds	26,993	282	1,892	25,383
Total Bonded Debt	2,971,873	627,834	360,494	3,239,213
Commercial Paper Notes	224,210	25,000	89,480	159,730
Certificates of Participation	11,815	-	1,910	9,905
Total	\$ 3,207,898	\$ 652,834	\$ 451,884	\$ 3,408,848

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

At June 30, 1999, the MTA has outstanding debt as listed below in the General Long-Term Debt Account Group (in thousands):

Description	Date of Issue	Final Maturity	Interest Rate	Original Amount	Balance Outstanding
Sales Tax Revenue Bonds, Series 1991-A	1991	2003	5.85%-6.90%	\$ 500,000	\$ 10,795
Sales Tax Revenue Refunding Bonds, Series 1991-B	1991	2018	4.90%-6.50%	281,425	268,340
Sales Tax Revenue Refunding Bonds, Series 1992-A	1992	2012	5.86%	98,700	98,700
Sales Tax Revenue Refunding Bonds, Series 1992-B	1992	2004	5.00%-6.00%	107,665	82,730
Sales Tax Revenue Proposition A Refunding Bonds, Series 1993-A	1993	2021	3.50%-6.25%	560,570	548,825
Sales Tax Revenue Bonds Series 1996-A	1996	2026	4.40%-6.00%	110,580	20,360
Sales Tax Revenue Refunding Bonds, Series 1996	1996	2026	5.50%-6.18%	104,715	25,605
Sales Tax Revenue Refunding Bonds, Series 1997-A	1997	2027	5.125%-8.375%	256,870	256,690
Sales Tax Revenue Refunding Bonds, Series 1999-A	1999	2019	5.00%-5.25%	160,205	160,205
Sales Tax Revenue Refunding Bonds, Series 1999-B	1999	2028	4.30%-7.00%	150,340	150,340
Sales Tax Revenue Refunding Bonds, Series 1999-C	1999	2026	4.25%-6.00%	170,495	170,495
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1992-A	1992	2023	3.75%-6.75%	516,885	88,060
Sales Tax Revenue Proposition C Refunding Bonds, Second Sr. Bonds, Series 1993-A	1993	2020	Variable	204,095	202,390
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1993-B	1993	2023	4.75%-8.00%	312,350	297,225
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1995-A	1995	2025	4.40%-5.75%	250,000	250,000
Sales Tax Revenue Proposition C Refunding Bonds, Series 1998-A	1998	2024	5.00%-5.50%	219,710	219,710
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1999-A	1999	2028	4.00%-7.00%	124,805	124,805
Sales Tax Revenue Proposition C Local Allocation, Series 1999-A	1999	2008	4.00%-4.30%	21,700	21,700
Grand Central Square Redevelopment Bonds, Series 1993-A	1993	2027	5.90%	21,665	21,665
Grand Central Square Housing Bonds, Series 1993-A	1993	2027	5.75%-5.85%	9,448	9,455
General Revenue Bonds, Series 1996-A	1995	2025	Variable	185,735	185,735
Lease Revenue Bonds	1990	2006	7.38%	26,400	15,378
Yen Obligation	1991	2006	4.94%	6,600	10,005
Certificates of Participation, Series 1991-G	1991	2004	4.90%-6.50%	19,340	8,450
Certificates of Participation, Series 1992-C	1992	2004	2.90%-6.00%	3,390	1,455
Commercial Paper Notes	1991	Various	Various	350,000	159,730
Total				<u>\$ 4,320,447</u>	<u>\$ 3,408,848</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

The annual funding requirements (principal and interest) for the General Long-Term Debt Account Group liability at June 30, 1999 are as follows (in thousands):

Year Ending June 30	Bonded Debt	Other Debt	Governmental Funds Debt
2000	\$ 230,572	\$ 12,307	\$ 242,879
2001	238,532	12,209	250,741
2002	238,730	12,113	250,843
2003	239,095	12,023	251,118
2004	239,056	11,924	250,980
Thereafter	4,687,554	395,167	5,082,721
Total principal and interest	5,873,539	455,743	6,329,282
Less: Amount representing interest and accreted value	2,634,326	286,108	2,920,434
Total	\$ 3,239,213	\$ 169,635	\$ 3,408,848

Proprietary Fund Types

The portion of outstanding debt related to operations of the Enterprise Fund are included in the accounts of the Proprietary Fund Types. A summary of debt service requirements, including principal and interest as of June 30, 1999, are as follows:

Certificates of Participation (1990 Issue) - In July 1990, the MTA issued \$160,000,000 of Adjustable Rate Demand Certificates of Participation due in annual installments from \$6,100,000 beginning on July 1, 1995 to \$15,100,000 due July 1, 2010. The 1990 certificates were converted in 1991 from an adjustable rate to a fixed rate of interest. The fixed interest rates ranges from 5.2% to 7.7% for the period 1995 to 2010. The purpose of these certificates was to provide a multiple-year worker's compensation self-insurance fund for the MTA. The total principal amount outstanding recorded in the Enterprise Fund as of June 30, 1999 is \$125,300,000.

Certificates of Participation (1992 issue) - On June 29, 1992, the MTA participated in a \$118,375,000 issuance of California Transit Finance Corporation Certificates of Participation 1992, Series B to finance the acquisition of 333 buses and related equipment to be operated by the MTA. The MTA is required to make annual lease payments that are funded in part from Federal Transit Administration (FTA) Section 9 Capital Grant funds received by the MTA (80%) and from Transportation Development Act funds (20%). The percentages may change in the future and the FTA grants available for such payments are subject to future Congressional appropriation and authorization. Interest rates range from 3.25% (1993) to 6.25% (2004). The total principal amount outstanding recorded in the Enterprise Fund at June 30, 1999 is \$49,320,000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

The annual funding requirements (principal and interest) for the Long-term Debt outstanding of the Proprietary Fund Type at June 30, 1999 are as follows (in thousands):

<u>Year Ending June 30</u>	<u>Certificates of Participation</u>
2000	\$ 29,352
2001	28,637
2002	27,968
2003	26,666
2004	26,643
Thereafter	<u>96,773</u>
Total Principal and Interest	236,039
Less: Amount representing interest	<u>61,419</u>
Total	<u>\$174,620</u>

Fiduciary Fund Type

Included in the Fiduciary Fund Type are accounts related to the Benefit Assessment Districts (BADs.) The BADs have issued revenue bonds as described below:

Benefit Assessment District's Revenue Bonds - The Special Benefit Assessment District A1 Revenue Bonds, Series 1992-A (A1 Bonds), and Benefit Assessment District A2 Revenue Bonds, Series 1992-A (A2 Bonds), were issued to assist in the financing of the private sector portion of the County-wide Rail Rapid Transit System (Metro Rail Project). The A1 and A2 Bonds total \$148,270,000 and \$7,855,000, respectively, and are solely payable from assessments paid by owners of assessable property within Districts A1 and A2, respectively, against which assessments have been or will be levied on such property.

The bonds do not constitute an indebtedness of the MTA and are payable solely from payments received on assessments against the levied properties. Accordingly, no liability has been recorded in the accompanying financial statements.

(6) Advance Refunding of Debt

The MTA refunded bond issues in advance by issuing \$170,495,000 Refunding Series 1999-C to provide resources to purchase U.S. Government securities. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$163,500,000 of refunded debt. As a result, the refunded bonds are considered to be legally defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

total debt service payment over the next 27 years by \$27,401,000 and resulted in an economic gain of \$9,966,000.

(7) Lease/Leaseback

In January 1997, the MTA entered into a head lease agreement to lease 30 heavy rail vehicles that are currently in service on the Red Line with a carrying value of \$38.5 million. The MTA simultaneously entered into a lease agreement to lease the vehicles back. MTA received payments under the head lease from the investor of approximately \$38.5 million, of which it used \$33.2 million to place two investments in irrevocable trusts, as agreed, which will be used to make the principal and interest payments on the finance obligations under the lease agreement. MTA placed \$27 million in a fixed rate deposit and invested \$6.2 million in U.S. Government zero coupon bonds. The interest earned on the deposit, together with the principal amount of the deposit and the maturities of the zero-coupon bonds, are sufficient to cover the financial obligations due under the lease agreement. As a result, obligations under this lease/leaseback transactions are considered to be defeased in substance and therefore, the related debt, as well as the trust assets, have been excluded from the MTA's financial statements. MTA intends to exercise a buy-out option on January 22, 2022. MTA has no other obligations defeased in substance outstanding.

(8) Operating Leases

The MTA is committed under various leases for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 1999 were \$4,082,000. Future minimum lease payments for these leases are as follows (in thousands):

Year Ending <u>June 30,</u>	
2000	\$ 4,302
2001	2,928
2002	1,851
2003	149
2004	65
Thereafter	<u>0</u>
Total	<u>\$9,295</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(9) Pensions and Post-Retirement Benefits

MTA provides pension benefits that cover substantially all full-time employees through five defined benefit pension plans. Three of the plans are restricted to specific union members and two are restricted to non-union full-time employees.

California Public Employees' Retirement System

The California Public Employees' Retirement System (PERS) is an agent multiple-employer public retirement system.

Full-time employees of PTSC are covered members under PERS and become fully vested in their accrued benefits after 5 years of credited service. Normal retirement is at age 60 with 5 years of credited service. The form of the normal benefit is a modified straight line annuity equal to 2% (benefit factor) of final average compensation (last consecutive 36 months of employment) times years of credited service. Other optional benefits are available at a reduced amount. Early retirement is available at age 50 with 5 years of credited service. The benefit factor is actuarially reduced for retirement prior to age 60 and actuarially increased after age 60 up to age 63. The plan provides for survivor and disability benefits. The benefit provisions and all other requirements are established by contract with the Public Employees Retirement System in accordance with the provisions of the Public Employees' Retirement Law.

The employer and employee contributions are a percentage of the employees compensation. The rates are defined by law and are based on the employer's benefit formula as determined by periodic actuarial valuations. These contributions are deposited in a fund established for each entity for the purpose of creating actuarial reserves for future benefits. For the year ended June 30, 1999, the contribution rate of covered payroll was 13.86%. This rate includes the mandatory employee contribution of 7.0%, that is currently paid by PTSC.

Total Annual Required Contributions (ARC) for the year ended June 30, 1999 were \$9,275,000, all of which was attributable to the PTSC. Such contributions were made in accordance with the latest PERS actuarial valuation. These pension contributions for normal costs include the employees' portion of \$4,963,000 for the year ended June 30, 1999. At June 30, 1999 there was no Net Pension Obligation (NPO) for this fund.

The valuation date was June 30, 1997 and the Individual Entry Age Normal Cost was the Actuarial Cost Method used to determine the ARC. The Smoothing of Market Value method was used to determine the actuarial value of assets. The Level Percentage of Payroll closed is the amortization Method used with the remaining amortization period an average of 10 years for Public Agencies. The actuarial assumptions are an 8.5%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

investment rate of return; an inflation rate of 3.5%; a projected salary increases varying based upon the duration of service; and a post retirement benefit increase of 2% .

MTA Administered Plans

The MTA has a Single-Employer Public Employees Retirement System that includes four defined benefit pension plans (Plans) covering substantially all employees, providing retirement, disability and death benefits. Generally, employees' rights to retirement benefits vest after five years for non-contract employees and 10 years for union employees and are based on the individual employee's years of service, age, final compensation and for bargaining units, disability status. The benefit provisions and all other requirements are established by state statute, ordinance, collective bargaining agreements or Board of Directors' actions. An annual stand-alone financial report is issued for the plans and can be obtained by requesting a copy from the Finance Department at MTA.

The MTA's funding policy is to make annual contributions to the Plans in amounts that, when combined with employees' contributions, fund actuarially compute cost as they accrue. Actuarially computed costs are determined using the projected unit credit cost method. The employee and employer contributions are required by the plan agreement as either a percentage of annual earning or to finance the benefits provided in the Union Plans on a sound actuarial basis. The MTA uses the level percentage of payroll method to amortize the unfunded liability or surplus of the Base Plan over a closed 15 year period. The Annual Required Contribution (ARC), for the MTA and employees, by plan, for the year ended June 30, 1999 is as follows:

Contribution	United Transportation Union Plan	Transportation Communication Union Plan	Amalgamated Transit Union Plan	Non-Contract Employees Plan	Total
Employee	\$ 4,131,000	\$ 545,000	\$ 3,135,000	\$ 238,000	\$ 8,049,000
Employer	9,907,000	1,003,000	3,444,000	-	14,354,000
Total	\$ 14,038,000	\$ 1,548,000	\$ 6,579,000	\$ 238,000	\$ 22,403,000

The MTA's contributions to the Plans for the year ended June 30, 1999 were made in accordance with the actuarially determined requirements computed as of December 31, 1998. Actuarially computed cost are determined using the projected unit credit cost method. The total ARC, for all plans, was \$14,354,000 which also was the Annual Pension Cost since there was no NPO at June 30, 1999. The required contribution rate by employees is between 3.22% and 6.99% of their annual wages. The employer rate is equal to ARC. The Projected Unit Cost method was used to determine the actuarial value of assets. The Level Percentage of Payroll closed is the amortization Method used with the remaining amortization period an average of 15 years for Public Agencies. The

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

actuarial assumptions are an 8% investment rate of return and projected salary increases of 4.5%.

Post-Retirement Benefits

The MTA provides post-retirement benefits which consist of health care and life insurance benefits purchased for retired employees and families through a commercial insurance policy on a pay as you go basis. Substantially all retirees of the MTA may become eligible for these benefits if they reach the appropriate eligibility requirements for retirement while working for the MTA. The benefit provisions and all other requirements are established by collective bargaining agreements and/or Board actions. The cost of providing these benefits for approximately 3,000 participants was \$17,705,000 for the year ended June 30, 1999 and MTA contributions are funded on a pay as you go basis. The outstanding liability for the Post-Retirement Benefits as of June 30, 1999 is \$70,004,000.

Other Employee Benefits

The following is a summary of the compensated absences payable at June 30, 1999 (in thousands):

	<u>Contract</u>	<u>Non-Contract</u>	<u>Total</u>
Vacation	\$ 17,105	\$ 1,999	\$ 19,104
Sick Leave	12,618	2,261	14,879
TOWP	-	<u>13,927</u>	<u>13,927</u>
Total	\$ <u>29,723</u>	<u>\$18,187</u>	<u>\$ 47,910</u>

(10) Interfund Receivable/Payable

The following is a table summarizing interfund receivable/payable at June 30, 1999 (in thousands):

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise Fund	Transportation Development Fund	\$ 2,686
Proposition A - 40%	Enterprise Fund	6,000
Proposition C - 40%	Enterprise Fund	8,463
Proposition C - 25%	CMAQ	3,634
Proposition C - 25%	TSM Match	17,953
Proposition C - 25%	FEMA Earthquake	5,196
Proposition C - 25%	Heavy Rail	80,000
Proposition C - 25%	Bus & Rail Capital	15,500
FEMA Earthquake	FHWA Earthquake	1,779
Transportation Development Act Art 4	Heavy Rail (Prop C Bonds)	10,698
	TOTAL	<u>\$ 151,909</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(11) Deferred Compensation and 401(k) Savings Plan

Deferred Compensation Plan

The MTA has a deferred compensation plan for all employees established in accordance with IRC Section 457 which permits employees to defer a portion of their current salary to future years.

The plan is managed by a third party plan administrator and trustee. Employee deferrals can be allocated among several investment options as directed by the employee. Although the employee is always 100% vested in the plan, withdrawals are not available to employees until termination, retirement, death or unforeseeable emergency. In the opinion of management, the MTA has no liability for losses under the plans, but does have the fiduciary responsibility of due professional care that would be required from a prudent investor. Accordingly, the assets of the deferred compensation plan and the related liability to employees are not recorded in the fiduciary fund. At June 30, 1999 the deferred compensation plans had assets (at fair value) totaling \$164,173,000.

401 (k) Savings Plan

The MTA also offers a deferred savings plan to all employees created in accordance with IRC Section 401(k). Under this plan, employees may contribute up to 15% of their earnings (10% for highly compensated employees) not to exceed \$10,000 in calendar year 1998. The savings plan is managed by a third party plan administrator, and the participants can direct the Plan Administrator to allocate their deferral based on several investment options. Plan benefits are based solely on amounts contributed by employees to their own accounts. Withdrawals are not available to employees until termination, retirement, age 59 1/2, death or unforeseen emergency. In the opinion of management, the MTA has no liability for losses under the plans, but does have the fiduciary responsibility of due professional care that would be required from a prudent investor. As the employees are 100% vested in the plan, the plan's assets are not included in the accompanying financial statements. At June 30, 1999, the 401(k) savings plan had assets (at market value) totaling \$82,205,000.

Employees may participate in both the 401(k) savings plan and the deferred compensation plans; however, amounts placed in the deferred compensation plans must be reduced by deferrals made in the savings plan. The maximum annual combined contribution per calendar year using both plans is \$8,000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(12) Claims and Judgment

The primary emphasis of risk management activities at the MTA is to prevent or minimize the risk of injury to persons and damage to or loss of property. Where losses cannot be prevented, the MTA endeavors to self-insure or to assume such losses as it may deem advisable and economical, giving due consideration to the frequency and severity of probable losses. Determination of the appropriate level of loss to be assumed is made on an annual basis. The consideration of the effect of potential self-insured or assumed losses is part of the MTA's financial planning process.

Construction

The MTA makes provision to insure its risk of accidental loss from construction through an owner-controlled insurance program (OCIP). These policies provide property, liability, and workers' compensation insurance and covers many of the risks arising from the work of contractors and subcontractors in their work on construction projects of the Metro Rail segments. As of June 30, 1999 the amount of settlements for the last three fiscal years did not exceed the insurance coverage in force on the reporting date. At June 30, 1999, a liability of \$20,785,459 has been determined and accrued for such potential losses.

Operations

The reserves for the workers' compensation and the public liability and property damage claims are actuarially determined and subject to periodic adjustment as conditions warrant. The reserves are discounted using an average rate of return of 6.0%. The MTA and PTSC believe that the estimated liability for self-insured claims at June 30, 1999 will be sufficient to cover any costs arising out of claims filed or to be filed for incidents which occurred through that date. The self-insurance programs are administered by a Third Party Administrator. The liability is based, in part, upon an independent estimate of reserves required for unsettled claims and related administrative costs, and includes damages that have been incurred, but have no claims reported.

Prior to September 1, 1998, the MTA was fully self-insured for workers' compensation claims. The outstanding liabilities as of June 30, 1999 is \$132,873,000 for claims arising prior to that date. Effective September 1, 1999, the MTA and PTSC formed a joint power authority, the PTSC-MTA Risk Management Authority (PRMA), to reduce the cost of each party's workers compensation expense to provide the worker's compensations coverage to both companies.

The MTA is partially self-insured for public liability and property damage for non-construction activities up to \$4,500,000 per occurrence. MTA has acquired outside insurance coverage for losses in excess of this amount. In addition, MTA has an all-risk property insurance program divided into two packages: (1) for rail operations and (2) for

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

bus operations. The property insurance policy covers insurable values of \$2,900,000,000. The policies also contain an earthquake sub-limit of \$100,000,000 with a 5% of value per site deductible. The amount of settlements has not exceeded the insurance coverage for the last years. The MTA reserves set aside for the incurred and outstanding liabilities as of June 30, 1999 is \$39,589,000.

The following table summarizes changes in the insurance reserves for the years ended June 30, 1999 and 1998 (in thousands):

	Construction		Property and Casualty		Workers' Compensation		Total	
	1999	1998	1999	1998	1999	1998	1999	1998
Unpaid claims and claim adjustment expenses at beginning of the fiscal year	\$22,652	\$39,442	\$36,421	\$54,131	\$99,156	\$72,556	\$158,229	\$166,129
Incurred claims and claim adjustment expenses								
Provisions for insured events of the current fiscal years	3,068	3,625	21,094	20,239	7,363	35,164	31,525	59,028
Increases(decreases) in provision for insured events of prior fiscal years	1,724	-553	8,464	(15,561)	58,520	30,799	68,708	14,685
Total incurred claims and claims adjustment expense	<u>27,444</u>	<u>42,514</u>	<u>65,979</u>	<u>58,809</u>	<u>165,039</u>	<u>138,519</u>	<u>258,462</u>	<u>239,842</u>
Payments:								
Claims and claim adjustment expenses attributable to insured events of the current fiscal years	(1,129)	(963)	(1,226)	(1,365)	(2,127)	(7,019)	(4,482)	(9,347)
Claims and claim adjustment expenses attributable to insured events of prior fiscal years	(5,530)	(18,899)	(25,164)	(21,023)	(30,039)	(29,548)	(60,733)	(72,266)
Total Payments	<u>(6,658)</u>	<u>(19,862)</u>	<u>(26,390)</u>	<u>(22,388)</u>	<u>(32,166)</u>	<u>(39,363)</u>	<u>(65,214)</u>	<u>(81,613)</u>
Total unpaid claims and claim adjustment expense at the end of the fiscal year	<u>\$20,785</u>	<u>\$22,652</u>	<u>\$39,589</u>	<u>\$36,421</u>	<u>\$132,873</u>	<u>\$99,156</u>	<u>\$193,247</u>	<u>\$158,229</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

(13) Changes in Proprietary Fund Equity Balances

The changes in the Enterprise Fund (deficit) equity balances for the year ended June 30, 1999 are as follows (in thousands):

	Retained Earnings (Deficit)	Contributed Capital			Total
		Federal	State	Local	
<u>Enterprise Fund</u>					
Balance, July 1, 1998	\$ (102,240)	\$ 970,495	\$ 308,664	\$ 1,762,316	\$ 2,939,235
Increase in Retained Earnings	13,146	-	-	-	13,146
Depreciation on assets acquired with capital grants	-	(59,412)	(8,308)	(91,490)	(159,210)
Capital grants & Fixed Asset Transfers	-	719,157	332	948,706	1,668,195
Balance, June 30, 1999	\$ <u>(89,094)</u>	\$ <u>1,630,240</u>	\$ <u>300,688</u>	\$ <u>2,619,532</u>	\$ <u>4,461,366</u>
<u>Internal Service Fund</u>					
Balance July 1, 1998	\$ -	\$ -	\$ -	\$ 147,896	\$ 147,896
Depreciation on assets acquired with capital grants	-	-	-	(6,889)	(6,889)
Capital grants	-	-	-	-	-
Balance, June 30, 1999	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>141,007</u>	\$ <u>141,007</u>

(14) Reserved and Designated Fund Balances

The following descriptions relate to the MTA's reserved and designated fund balances:

Reserved for Memoranda of Understanding - Established to segregate a portion of the fund balance for contractual commitments.

Reserved for Encumbrances - Established to segregate part of the fund balance for outstanding commitments related to unperformed contracts.

Reserved for Notes Receivable, - Established to set aside a portion of fund balance to indicate that certain non-current assets such as notes receivable.

Reserved for Debt Service - 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 Employee Retirement System - Established to reflect fund balances restricted to provide retirement benefits in future years.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Reserved for Prepaid and Other - Established to set aside a portion of the fund balance for certain non-cash assets such as prepaid accounts.

Reserved for Advances - Established to set aside a portion of fund balance for advances made to other funds.

(15) Deficit Fund/Retained Earnings Balances

As of June 30, 1999 the Enterprise fund had a deficit retained earning balance of \$89.1 million. The Metro Rail fund had a deficit fund balance of \$.4 million and the Port Highway special revenue fund had a deficit fund balance of \$.8 million. The Enterprise Fund deficit has been reduced through a operating transfer of funds that was used to fund the worker compensation cash reserves. The Metro Rail fund and Port Highway fund deficits will be resolved through additional operating transfers primarily, Proposition A and C.

(16) Individual Funds With Excess of Expenditures Over Appropriations

The funds where expenditures exceeded appropriations during the year was:

<u>Name of Fund</u>	<u>Amount of Expenditures Over Appropriations (In thousands)</u>
Proposition C	\$12,139
Port Highway	\$ 1,959

(17) Construction in Progress and Other Significant Commitments

The MTA has one major construction project underway as reported in Construction in Progress in the General Fixed Asset Account Group. This project is the 6.3 mile Metro Red Line subway extension from Hollywood to North Hollywood.

The budget for the North Hollywood extension is \$1.3 billion of which \$1.0 billion has been expended as of June 30, 1999. The planned completion date for this project is mid-2000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
Notes to Combined Financial Statements (continued)
June 30, 1999

Other Commitments

The MTA, through the call for projects, has entered into various Memorandum of Understanding (MOU) agreements to fund local transportation projects. The MTA has reserved \$540.1 million for MOUs commitments in various Special Revenue Funds.

(18) Litigation and Other Contingencies

Litigation

The MTA is defendant in various 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 materially adverse effect on the financial condition of the MTA.

Federal, State and Other Governmental Funding

The MTA receives significant funding from federal, state and other governmental grant funds as reimbursement for costs incurred and advances under deferred "Local Match" provisions in certain programs it administers. Such programs are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. Based on prior experience, the MTA management believes that costs ultimately disallowed, if any, would not materially affect the financial condition of the MTA.

(19) Joint Powers

The MTA 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 (MTA), San Bernardino (SANBAG), Orange (OCTA), Riverside (RCTC), and Ventura (VCTC). The SCRRA has assumed the overall responsibility of providing a regional commuter rail system, Metrolink, linking the participating counties.

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

MTA	4
OCTA	2
RCTC	2
SANBAG	2
VCTC	1

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION

Notes to Combined Financial Statements (continued)

June 30, 1999

SCRRA operates the Metrolink Commuter Rail on five lines originating in: Oxnard, Ventura County; Lancaster, Los Angeles County; San Bernardino, San Bernardino County; Riverside, Riverside County; and Oceanside, Orange County and terminating at the Los Angeles Union Station.

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

The MTA has made capital contributions to the SCRRA totaling \$149,983,000 as of June 30, 1999.

These capital contributions are recorded in the MTA's Capital Projects Fund and are reported in the General Fixed Asset Account Group as contributed capital. The MTA provided the majority of the system's operating costs for the year ending June 30, 1999.

Summary financial (unaudited) information for the SCRRA as of and for the year ended June 30, 1999 is as follows (in thousands):

Current Assets	\$ 75,299
Investments, Property and Equipment	711,315
Total Assets	<u>\$ 789,614</u>
Total Liabilities	\$ 72,084
Total Equity	717,530
Total Liabilities and Equity	<u>\$ 789,614</u>
Total Revenues	\$ 98,572
Total Expenses	(140,143)
Contributed Capital Adjustment for Depreciation	45,610
Net Increase in Retained Earnings	<u>\$ 4,039</u>

Additional detailed financial information is available from the SCRRA.

**REQUIRED SUPPLEMENTAL
INFORMATION**

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION
 For Fiscal Year Ended June 30, 1999

Schedule of Funding Progress

PTSC

The schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll for the pension fund contributed to by PTSC:

Valuation Date	Entry Age Normal Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL As a % of Payroll ((a)-(b))/(c)
6/30/95	\$ 24,605,858	\$ 27,801,682	\$ (3,195,824)	113.0%	\$ 27,484,787	(11.6)%
6/30/96	\$ 27,894,875	\$ 34,945,095	\$ (7,050,220)	125.3%	\$ 21,742,143	(32.4)%
6/30/97	\$ 31,618,921	\$ 43,692,082	\$ (12,073,161)	138.2%	\$ 21,605,821	(55.9)%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION
 For Fiscal Year Ended June 30, 1999

MTA

The schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll for the pension fund contributed to by MTA:

Valuation Date	Entry Age Normal Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL As a % of Payroll ((a)-(b))/(c)
UTU						
12/31/96	341,605,000	320,032,000	21,573,000	93.7%	144,070,000	15.0%
12/31/97	323,453,000	312,716,000	10,737,000	96.7%	135,243,000	7.9%
13/31/98	322,451,000	287,170,000	35,281,000	89.1%	142,616,000	24.7%
TCU						
12/31/96	40,393,000	42,558,000	(2,165,000)	105.4%	20,968,000	(10.3)%
12/31/97	41,046,000	43,638,000	(2,592,000)	106.3%	20,704,000	(12.5)%
13/31/98	43,599,000	44,655,000	(1,056,000)	102.4%	21,706,000	(4.9)%
ATU						
12/31/96	143,271,000	140,427,000	2,844,000	98.0%	73,940,000	3.8%
12/31/97	149,762,000	154,137,000	(4,375,000)	102.9%	77,620,000	(5.6)%
13/31/98	156,534,000	151,745,000	4,789,000	96.9%	80,320,000	6.0%
Non Contract						
12/31/96	122,432,000	145,695,000	(23,263,000)	119.0%	68,769,000	(33.8)%
12/31/97	122,585,000	144,838,000	(22,253,000)	118.2%	33,769,000	(65.9)%
13/31/98	140,275,000	152,323,000	(12,048,000)	108.6%	31,576,000	(38.2)%
Total						
12/31/96	647,701,000	648,712,000	(1,011,000)	100.2%	307,747,000	(0.3)%
12/31/97	636,846,000	655,329,000	(18,483,000)	102.9%	267,336,000	(6.9)%
13/31/98	662,859,000	635,893,000	26,966,000	95.9%	276,218,000	9.8%

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
REQUIRED SUPPLEMENTAL INFORMATION
For Fiscal Year Ended June 30, 1999

Year 2000 Issue

The Year 2000 issue is the result of computer programs being written using two digits rather than four digits to define the applicable year. Any computer programs that are date sensitive may recognize a date using "00" as the year 1900 rather than the 2000. This could result in a system failure or miscalculations causing disruptions of operations.

LACMTA recognized that the Year 2000 problem, while technical in nature, was primarily a business problem. To ensure a smooth and continuous operation, the LACMTA assembled a team of 55 employees and consultants that reviewed the programs and identified those that were not Y2K compliant. The team also determined if the programs could be corrected or needed replacement.

Our Year 2000 Project, although not complete, remains on schedule overall and no significant impacts to our business operations are currently expected as a result of Y2K issues. The majority of systems that were identified as Mission Critical are now compliant. And of those remaining, simulated assessments and interface testing have indicated no catastrophic failures would result. In addition, a validation and verification vendor is independently assessing all embedded chips. Presently there are not any identified issues associated with our supply chain.

LACMTA is confident that we will be Y2K compliant prior to Year 2000, ensuring that our assets are protected, public and employee safety is maintained and that our buses and trains are in service and on schedule.

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 Metropolitan Transportation Authority
 General Fund
 Comparative Balance Sheets
 June 30, 1999 and 1998
 (Amounts expressed in thousands)

Exhibit A-1

	1999	1998
Assets		
Cash and cash equivalents	\$ 20,430	\$ 21,489
Investments	-	-
Receivables:		
Intergovernmental	15,057	14,381
Notes	-	639
Interest	82	197
Leases and other	736	652
Prepaid items and other assets	3,629	4,580
Total assets	\$ 39,934	\$ 41,938
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,803	\$ 4,133
Accrued liabilities	9,842	10,820
Due to other governments	-	300
Deferred revenues	13,344	13,260
Other liabilities	55	45
Total liabilities	25,044	28,558
Fund Balances:		
Reserved for encumbrances	11,316	-
Reserved for notes receivable	-	639
Reserved for prepaid and other assets	3,629	4,580
Unreserved, undesignated	(55)	8,161
Total fund balances	14,890	13,380
Total liabilities and fund balances	\$ 39,934	\$ 41,938

Los Angeles County Metropolitan Transportation Authority
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit A-2

	1999	1998
Revenues:		
Intergovernmental	\$ 1,673	\$ 367
Investment income	1,049	1,525
Net appreciation (decline) in fair value of investments	(197)	62
Lease and rental	7,070	1
Licenses and fines	429	365
Other	7,663	1,000
Total revenues	17,687	3,320
Expenditures:		
Current:		
Administration and other	16,172	17,122
Transportation subsidies	15,143	19,082
Total expenditures	31,315	36,204
Excess (deficiency) of revenues over expenditures	(13,628)	(32,884)
Other financing Sources (Uses):		
Operating transfers in	19,002	47,517
Operating transfers out	(3,864)	(2)
Total other financing sources (uses)	15,138	47,515
Excess of revenues and other financing sources over expenditures and other financing uses	1,510	14,631
Fund (deficit) balances - beginning of year	13,380	(1,251)
Fund balances - end of year	\$ 14,890	\$ 13,380

General Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the years ended June 30, 1999 and June 30, 1998

(Amounts expressed in thousands)

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales tax	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ (50)
Intergovernmental	9,762	1,673	(8,089)	10,460	367	(10,093)
Investment income	-	1,049	1,049	-	1,525	1,525
Net appreciation (decline) in fair value of investments	73	(197)	(270)	150	62	(88)
Lease and rental	9,325	7,070	(2,255)	-	1	1
Licenses and fines	40	429	389	205	365	160
Other	2,047	7,663	5,616	950	1,000	50
Total revenues	21,247	17,687	(3,560)	11,815	3,320	(8,495)
Expenditures:						
Current:						
Administration and other	16,090	16,172	(82)	36,861	17,122	19,739
Transportation subsidies	18,318	15,143	3,175	99,812	19,082	80,730
Total expenditures	34,408	31,315	3,093	136,673	36,204	100,469
Excess (deficiency) of revenues over expenditures	(13,161)	(13,628)	(467)	(124,858)	(32,884)	91,974
Other financing Sources (Uses):						
Operating transfers in	51,451	19,002	(32,449)	128,785	47,517	(81,268)
Operating transfers out	(1,418)	(3,864)	(2,446)	-	(2)	(2)
Proceeds from financing	-	-	-	7,322	-	(7,322)
Total other financing sources (uses)	50,033	15,138	(34,895)	136,107	47,515	(88,592)
Excess of revenues and other financing sources over expenditures and other financing uses	36,872	1,510	(35,362)	11,249	14,631	3,382
Fund (deficit) balances - beginning of year	13,380	13,380	-	(1,251)	(1,251)	-
Fund balances - end of year	\$ 50,252	\$ 14,890	\$ (35,362)	\$ 9,998	\$ 13,380	\$ 3,382

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for special 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 used for construction and debt service payments and operation of rail rapid transit systems; 40% is allocated at the discretion of the MTA.

Proposition C - The official name of this fund is the "Los Angeles County Anti-Gridlock Transit Improvement Fund". This 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, 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 and CMAQ - This fund is used to account for monies received that are legally restricted for ridesharing activities and funds received to assist in the operation of rail projects.

Service Authority for Freeway Emergencies (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) - This fund is used to account for revenues received from the State as part of the Transportation Development Act. These funds are paid out to various transit operators and are also used to help fund the bus operations and capital costs in the Enterprise fund.

PVEA (Petroleum Violations Escrow Account) - This fund is used to account for revenues received from fines and penalties collected because of petroleum violations, and are 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.

Ports Highway Improvements Match - The MTA has agreed to act as an escrow agent to accumulate funds in this fund for matching monies. The MTA has accumulated funds to match Federal Grants that may be used on local projects such as the Alameda Corridor.

Budget Change for TC1 - This fund is used to account for local and state grants that help fund the Freeway Service Patrol Project.

FEMA Earthquake Reimbursement - This fund was established to account for funds received by the Federal Government for projects related to the 1994 Earthquake through the Office of Emergency Management or FEMA.

Federal Board of Education - This fund is used to account for projects that are to assist students in Transportation Job Training.

Los Angeles County Metropolitan Transportation Authority
Special Revenue Fund
Combining Balance Sheet
June 30, 1999
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	Rideshare CMAQ TSM	Service Authority For Fwy Emergency
Assets					
Cash and cash equivalents	\$ 83,320	\$ 165,401	\$ 8,962	\$ 1,035	\$ 22,700
Receivables:					
Intergovernmental	-	34,972	-	21,596	-
Sales tax	25,336	25,818	7,416	-	-
Interest	358	1,206	76	5	109
Leases and other	1	-	-	-	-
Interfund receivable	6,000	130,748	-	-	-
Total Current Assets	115,015	358,145	16,454	22,636	22,809
Total assets	\$ 115,015	\$ 358,145	\$ 16,454	\$ 22,636	\$ 22,809
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 9,658	\$ 24,024	\$ -	\$ -	\$ 1,019
Accrued liabilities	5,420	19,973	363	-	672
Interfund payable	-	-	-	21,587	-
Due to other governments	-	675	-	-	-
Total liabilities	15,078	44,672	363	21,587	1,691
Fund Balances:					
Reserved for memoranda of understanding	42,452	366,231	16,091	-	7,623
Unreserved, undesignated	57,485	(52,758)	-	1,049	13,495
Total (deficit) fund balances	99,937	313,473	16,091	1,049	21,118
Total liabilities and fund balances	\$ 115,015	\$ 358,145	\$ 16,454	\$ 22,636	\$ 22,809

Transportation Development Act	PVEA	Federal Aid Urban	Port Highway Improvement Match	Budget Change Proposal	FEMA Earthquake Reimb.	Federal Board of Education	Total
\$ 108,851	\$ 377	\$ 15,408	\$ 6,904	\$ 70	\$ 286	\$ 5,279	\$ 418,593
-	-	-	-	-	7,946	-	64,514
-	-	-	-	-	-	-	58,570
509	2	72	34	24	-	-	2,395
-	-	-	-	-	604	-	605
10,697	(2)	-	-	-	1,780	-	149,223
<u>120,057</u>	<u>377</u>	<u>15,480</u>	<u>6,938</u>	<u>94</u>	<u>10,616</u>	<u>5,279</u>	<u>693,900</u>
<u>\$ 120,057</u>	<u>\$ 377</u>	<u>\$ 15,480</u>	<u>\$ 6,938</u>	<u>\$ 94</u>	<u>\$ 10,616</u>	<u>\$ 5,279</u>	<u>\$ 693,900</u>
\$ 83	\$ -	\$ -	\$ 3,646	\$ -	\$ -	\$ -	\$ 38,430
154	-	-	4,112	-	-	-	30,694
2,686	-	-	-	-	6,975	-	31,248
-	-	-	-	-	-	-	675
<u>2,923</u>	<u>-</u>	<u>-</u>	<u>7,758</u>	<u>-</u>	<u>6,975</u>	<u>-</u>	<u>101,047</u>
99,424	-	1,158	3,488	-	3,641	-	540,108
17,710	377	14,322	(4,308)	94	-	5,279	52,745
<u>117,134</u>	<u>377</u>	<u>15,480</u>	<u>(820)</u>	<u>94</u>	<u>3,641</u>	<u>5,279</u>	<u>592,853</u>
<u>\$ 120,057</u>	<u>\$ 377</u>	<u>\$ 15,480</u>	<u>\$ 6,938</u>	<u>\$ 94</u>	<u>\$ 10,616</u>	<u>\$ 5,279</u>	<u>\$ 693,900</u>

Los Angeles County Metropolitan Transportation Authority
Special Revenue Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 1999
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	Rideshare CMAQ TSM	Service Authority For Fwy Emergency
Revenues:					
Sales tax	\$ 449,054	\$ 452,232	\$ 37,082	\$ -	\$ -
Intergovernmental	-	37,141	-	50,015	-
Investment income	5,498	15,792	902	66	1,450
Net appreciation (decline) in fair value of investments	(479)	(1,460)	-	(6)	(121)
Licenses and fines	-	-	-	-	6,415
Other	-	933	-	-	-
Total revenues	454,073	504,638	37,984	50,075	7,744
Expenditures:					
Current					
Administration and other	-	7,041	-	-	652
Transportation subsidies	151,921	274,558	2,879	-	7,873
Total expenditures	151,921	281,599	2,879	-	8,525
Excess (deficiency) of revenues over expenditures	302,152	223,039	35,105	50,075	(781)
Other financing Sources (Uses):					
Operating transfers in	1,923	39,978	-	2,922	-
Operating transfers out	(291,226)	(206,831)	(36,761)	(50,005)	-
Total other financing sources (uses)	(289,303)	(166,853)	(36,761)	(47,083)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	12,849	56,186	(1,656)	2,992	(781)
Fund (deficit) balance - beginning of year	87,088	257,287	17,747	(1,943)	21,899
Fund (deficit) balance - end of year	\$ 99,937	\$ 313,473	\$ 16,091	\$ 1,049	\$ 21,118

Transportation Development Act	PVEA	Federal Aid Urban	Port Highway Improvement Match	Budget Change Proposal	FEMA Earthquake Reimb.	Federal Board of Education	Total
\$ 229,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,167,642
799	133	66	-	4,544	333	-	93,031
6,226	17	973	499	154	-	-	31,577
-	(2)	(82)	(39)	(26)	-	-	(2,215)
-	-	-	-	-	-	-	6,415
764	-	-	-	-	16	-	1,713
<u>237,063</u>	<u>148</u>	<u>957</u>	<u>460</u>	<u>4,672</u>	<u>349</u>	<u>-</u>	<u>1,298,163</u>
-	-	-	-	-	121	-	7,814
65,512	-	-	11,959	-	-	-	514,702
<u>65,512</u>	<u>-</u>	<u>-</u>	<u>11,959</u>	<u>-</u>	<u>121</u>	<u>-</u>	<u>522,516</u>
<u>171,551</u>	<u>148</u>	<u>957</u>	<u>(11,499)</u>	<u>4,672</u>	<u>228</u>	<u>-</u>	<u>775,647</u>
29,522	-	-	-	-	-	372	74,717
(192,676)	-	-	-	(5,000)	(1,351)	-	(783,850)
<u>(163,154)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(1,351)</u>	<u>372</u>	<u>(709,133)</u>
8,397	148	957	(11,499)	(328)	(1,123)	372	66,514
108,737	229	14,523	10,679	422	4,764	4,907	526,339
<u>\$ 117,134</u>	<u>\$ 377</u>	<u>\$ 15,480</u>	<u>\$ (820)</u>	<u>\$ 94</u>	<u>\$ 3,641</u>	<u>\$ 5,279</u>	<u>\$ 592,853</u>

Los Angeles County Metropolitan Transportation Authority
Proposition A Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-3

	1999	1998
Assets		
Cash and cash equivalents	\$ 83,320	\$ 59,341
Investments	-	118
Receivables:		
Sales tax	25,336	24,946
Interest	358	371
Leases and other	1	-
Interfund receivable	6,000	6,000
Total Current Assets	<u>115,015</u>	<u>90,776</u>
Cash and cash equivalents	-	-
Total assets	<u>\$ 115,015</u>	<u>\$ 90,776</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 9,658	\$ -
Accrued liabilities	5,420	3,688
Total liabilities	<u>15,078</u>	<u>3,688</u>
Fund Balances:		
Reserved for memoranda of understanding	42,452	81,088
Reserved for interfund receivable	-	6,000
Unreserved, undesignated	57,485	-
Total fund balances	<u>99,937</u>	<u>87,088</u>
Total liabilities and fund balances	<u>\$ 115,015</u>	<u>\$ 90,776</u>

Los Angeles County Metropolitan Transportation Authority
 Proposition A Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-4

	1999	1998
Revenues:		
Sales tax	\$ 449,054	\$ 438,321
Intergovernmental	-	1,692
Investment income	5,498	5,336
Net appreciation (decline) in fair value of investments	(479)	118
Other	-	13
Total revenues	454,073	445,480
Expenditures:		
Current:		
Administration and other	-	1,283
Transportation subsidies	151,921	160,545
Total expenditures	151,921	161,828
Excess (deficiency) of revenues over expenditures	302,152	283,652
Other financing Sources (Uses):		
Operating transfers in	1,923	17,783
Operating transfers out	(291,226)	(294,915)
Total other financing and sources (uses)	(289,303)	(277,132)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	12,849	6,520
Fund balances - beginning of year	87,088	80,568
Fund balances - end of year	\$ 99,937	\$ 87,088

Los Angeles County Metropolitan Transportation Authority
Proposition A Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-4A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales tax	\$ 449,695	\$ 449,054	\$ (641)	\$ 432,500	\$ 438,321	\$ 5,821
Intergovernmental	-	-	-	-	1,692	1,692
Investment income	3,400	5,498	2,098	4,000	5,336	1,336
Net appreciation (decline) in fair value of investments	-	(479)	(479)	-	118	118
Other	-	-	-	-	13	13
Total revenues	<u>453,095</u>	<u>454,073</u>	<u>978</u>	<u>436,500</u>	<u>445,480</u>	<u>8,980</u>
Expenditures:						
Current:						
Administration and other	-	-	-	-	1,283	(1,283)
Transportation subsidies	180,106	151,921	28,185	149,695	160,545	(10,850)
Total expenditures	<u>180,106</u>	<u>151,921</u>	<u>28,185</u>	<u>149,695</u>	<u>161,828</u>	<u>(12,133)</u>
Excess (deficiency) of revenues over expenditures	<u>272,989</u>	<u>302,152</u>	<u>29,163</u>	<u>286,805</u>	<u>283,652</u>	<u>(3,153)</u>
Other financing Sources (Uses):						
Operating transfers in	900	1,923	1,023	-	17,783	17,783
Operating transfers out	(283,504)	(291,226)	(7,722)	(291,845)	(294,915)	(3,070)
Total other financing and sources (uses)	<u>(282,604)</u>	<u>(289,303)</u>	<u>(6,699)</u>	<u>(291,845)</u>	<u>(277,132)</u>	<u>14,713</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(9,615)</u>	<u>12,849</u>	<u>22,464</u>	<u>(5,040)</u>	<u>6,520</u>	<u>11,560</u>
Fund balances - beginning of year	<u>87,088</u>	<u>87,088</u>	<u>-</u>	<u>80,568</u>	<u>80,568</u>	<u>-</u>
Fund balances - end of year	<u>\$ 77,473</u>	<u>\$ 99,937</u>	<u>\$ 22,464</u>	<u>\$ 75,528</u>	<u>\$ 87,088</u>	<u>\$ 11,560</u>

Los Angeles County Metropolitan Transportation Authority
Proposition C Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-5

	1999	1998
Assets		
Cash and cash equivalents	\$ 165,401	\$ 79,490
Investments	-	245
Receivables:		
Intergovernmental	34,972	29,353
Sales tax	25,818	25,524
Interest	1,206	769
Interfund receivable	130,748	145,638
Total Current Assets	358,145	281,019
Cash and cash equivalents	-	-
Total assets	\$ 358,145	\$ 281,019
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 24,024	\$ 19,642
Accrued liabilities	19,973	4,090
Due to other governments	675	-
Total liabilities	44,672	23,732
Fund Balances:		
Reserved for memoranda of understanding	366,231	111,649
Reserved for interfund receivable	-	145,638
Unreserved, undesignated	(52,758)	-
Total fund balances	313,473	257,287
Total liabilities and fund balances	\$ 358,145	\$ 281,019

Los Angeles County Metropolitan Transportation Authority
Proposition C Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-6

	1999	1998
Revenues:		
Sales tax	\$ 452,232	\$ 441,929
Intergovernmental	37,141	38,010
Investment income	15,792	11,362
Net appreciation (decline) in fair value of investments	(1,460)	245
Other	933	1,348
Total revenues	504,638	492,894
Expenditures:		
Current:		
Administration and other	7,041	6,503
Transportation subsidies	274,558	252,859
Total expenditures	281,599	259,362
Excess (deficiency) of revenues over expenditures	223,039	233,532
Other financing Sources (Uses):		
Operating transfers in	39,978	99,734
Operating transfers out	(206,831)	(253,645)
Total other financing and sources (uses)	(166,853)	(153,911)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	56,186	79,621
Fund balances - beginning of year	257,287	177,666
Fund balances - end of year	\$ 313,473	\$ 257,287

Los Angeles County Metropolitan Transportation Authority
Proposition C Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-6A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales tax	\$ 452,089	\$ 452,232	\$ 143	\$ 433,600	\$ 441,929	\$ 8,329
Intergovernmental	-	37,141	37,141	-	38,010	38,010
Investment income	7,835	15,792	7,957	10,000	11,362	1,362
Net appreciation (decline) in fair value of investments	-	(1,460)	(1,460)	-	245	245
Other	-	933	933	-	1,348	1,348
Total revenues	459,924	504,638	44,714	443,600	492,894	49,294
Expenditures:						
Current:						
Administration and other	8,441	7,041	1,400	-	6,503	(6,503)
Transportation subsidies	261,019	274,558	(13,539)	368,761	252,859	115,902
Total expenditures	269,460	281,599	(12,139)	368,761	259,362	109,399
Excess (deficiency) of revenues over expenditures	190,464	223,039	32,575	74,839	233,532	158,693
Other financing Sources (Uses):						
Operating transfers in	295,359	39,978	(255,381)	-	99,734	99,734
Operating transfers out	(231,193)	(206,831)	24,362	(200,411)	(253,645)	(53,234)
Total other financing and sources (uses)	64,166	(166,853)	(231,019)	(200,411)	(153,911)	46,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	254,630	56,186	(198,444)	(125,572)	79,621	205,193
Fund balances - beginning of year	257,287	257,287	-	177,666	177,666	-
Fund balances - end of year	\$ 511,917	\$ 313,473	\$ (198,444)	\$ 52,094	\$ 257,287	\$ 205,193

Los Angeles County Metropolitan Transportation Authority
State Transit Assistance Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
 (Amounts expressed in thousands)

Exhibit B-7

	1999	1998
Assets		
Cash and cash equivalents	\$ 8,962	\$ 12,371
Receivables:		
Sales tax	7,416	6,586
Interest	76	149
Leases and other	-	23
Interfund receivable	-	(1)
Total Current Assets	<u>16,454</u>	<u>19,128</u>
Cash and cash equivalents	-	-
Total assets	<u>\$ 16,454</u>	<u>\$ 19,128</u>
Liabilities and Fund Balance		
Liabilities:		
Accrued liabilities	\$ 363	\$ 1,382
Total liabilities	<u>363</u>	<u>1,382</u>
Fund Balances:		
Reserved for memoranda of understanding	16,091	17,746
Total fund balances	<u>16,091</u>	<u>17,746</u>
Total liabilities and fund balances	<u>\$ 16,454</u>	<u>\$ 19,128</u>

Los Angeles County Metropolitan Transportation Authority
 State Transit Assistance Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-8

	1999	1998
Revenues:		
Sales tax	\$ 37,082	\$ 31,538
Investment income	902	644
Other	-	22
Total revenues	<u>37,984</u>	<u>32,204</u>
Expenditures:		
Current:		
Transportation subsidies	2,879	3,145
Total expenditures	<u>2,879</u>	<u>3,145</u>
Excess (deficiency) of revenues over expenditures	<u>35,105</u>	<u>29,059</u>
Other financing Sources (Uses):		
Operating transfers out	(36,761)	(11,200)
Total other financing and sources (uses)	<u>(36,761)</u>	<u>(11,200)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(1,656)	17,859
Fund (deficit) balances - beginning of year	17,747	(113)
Fund balances - end of year	<u>\$ 16,091</u>	<u>\$ 17,746</u>

Los Angeles County Metropolitan Transportation Authority
 State Transit Assistance Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-8A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales tax	\$ 31,044	\$ 37,082	\$ 6,038	\$ 22,492	\$ 31,538	\$ 9,046
Investment income	310	902	592	300	644	344
Other	-	-	-	-	22	22
Total revenues	31,354	37,984	6,630	22,792	32,204	9,412
Expenditures:						
Current:						
Transportation subsidies	3,245	2,879	366	2,778	3,145	(367)
Total expenditures	3,245	2,879	366	2,778	3,145	(367)
Excess (deficiency) of revenues over expenditures	28,109	35,105	6,996	20,014	29,059	9,045
Other financing Sources (Uses):						
Operating transfers out	(20,649)	(36,761)	(16,112)	(19,679)	(11,200)	8,479
Total other financing and sources (uses)	(20,649)	(36,761)	(16,112)	(19,679)	(11,200)	8,479
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,460	(1,656)	(9,116)	335	17,859	17,524
Fund (deficit) balances - beginning of year	17,747	17,747	-	(113)	(113)	-
Fund balances - end of year	\$ 25,207	\$ 16,091	\$ (9,116)	\$ 222	\$ 17,746	\$ 17,524

Los Angeles County Metropolitan Transportation Authority
 Rideshare, CMAQ & TSM Special Revenue Fund
 Comparative Balance Sheets
 June 30, 1999 and 1998
 (Amounts expressed in thousands)

Exhibit B-9

	1999	1998
Assets		
Cash and cash equivalents	\$ 1,035	\$ 952
Receivables:		
Intergovernmental	21,596	45,203
Interest	5	2
Total Current Assets	<u>22,636</u>	<u>46,157</u>
Total assets	<u>\$ 22,636</u>	<u>\$ 46,157</u>
Liabilities and Fund Balance		
Liabilities:		
Interfund payable	\$ 21,587	\$ 48,100
Total liabilities	<u>21,587</u>	<u>48,100</u>
Fund Balances:		
Unreserved, undesignated	1,049	(1,943)
Total fund (deficit) balances	<u>1,049</u>	<u>(1,943)</u>
Total liabilities and fund balances	<u>\$ 22,636</u>	<u>\$ 46,157</u>

Los Angeles County Metropolitan Transportation Authority
 Rideshare, CMAQ & TSM Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-10

	1999	1998
Revenues:		
Intergovernmental	\$ 50,015	\$ 39,364
Investment income	66	115
Net appreciation (decline) in fair value of investments	(6)	1
Total revenues	50,075	39,480
Expenditures:		
Current:		
Transportation subsidies	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	50,075	39,480
Other financing Sources (Uses):		
Operating transfers in	2,922	-
Operating transfers out	(50,005)	(44,332)
Total other financing and sources (uses)	(47,083)	(44,332)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,992	(4,852)
Fund (deficit) balances - beginning of year	(1,943)	2,909
Fund (deficit) balances - end of year	\$ 1,049	\$ (1,943)

Los Angeles County Metropolitan Transportation Authority
Rideshare, CMAQ & TSM Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-10A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 63,339	\$ 50,015	\$ (13,324)	\$ 43,296	\$ 39,364	\$ (3,932)
Investment income	-	66	66	-	115	115
Net appreciation (decline) in fair value of investments	-	(6)	(6)	-	1	1
Total revenues	63,339	50,075	(13,264)	43,296	39,480	(3,816)
Expenditures:						
Current:						
Transportation subsidies	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	63,339	50,075	(13,264)	43,296	39,480	(3,816)
Other financing Sources (Uses):						
Operating transfers in	-	2,922	2,922	5,556	-	(5,556)
Operating transfers out	(45,183)	(50,005)	(4,822)	(43,296)	(44,332)	(1,036)
Total other financing and sources (uses)	(45,183)	(47,083)	(1,900)	(37,740)	(44,332)	(6,592)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	18,156	2,992	(15,164)	5,556	(4,852)	(10,408)
Fund (deficit) balances - beginning of year	(1,943)	(1,943)	-	(1,943)	(1,943)	-
Fund (deficit) balances - end of year	\$ 16,213	\$ 1,049	\$ (15,164)	\$ 3,613	\$ (6,795)	\$ (10,408)

Los Angeles County Metropolitan Transportation Authority
Service Authority For Freeway Emergency Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-11

	1999	1998
Assets		
Cash and cash equivalents	\$ 22,700	\$ 22,675
Receivables:		
Interest	109	40
Total assets	\$ 22,809	\$ 22,715
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 1,019	\$ 816
Accrued liabilities	672	-
Total liabilities	1,691	816
Fund Balances:		
Reserved for memoranda of understanding	7,623	21,899
Unreserved, undesignated	13,495	
Total fund balances	21,118	21,899
Total liabilities and fund balances	\$ 22,809	\$ 22,715

Los Angeles County Metropolitan Transportation Authority
Service Authority For Freeway Emergency Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-12

	1999	1998
Revenues:		
Investment income	\$ 1,450	\$ 717
Net appreciation (decline) in fair value of investments	(121)	13
Licenses and fines	6,415	5,682
Total revenues	7,744	6,412
Expenditures:		
Current:		
Administration and other	652	909
Transportation subsidies	7,873	4,929
Total expenditures	8,525	5,838
Excess (deficiency) of revenues over expenditures	(781)	574
Other financing Sources (Uses):		
Operating transfers in	-	1,212
Total other financing and sources (uses)	-	1,212
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(781)	1,786
Fund balances - beginning of year	21,899	20,113
Fund balances - end of year	\$ 21,118	\$ 21,899

Los Angeles County Metropolitan Transportation Authority
Service Authority For Freeway Emergency Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-12A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Investment income	\$ -	\$ 1,450	\$ 1,450	\$ -	\$ 717	\$ 717
Net appreciation (decline) in fair value of investments	-	(121)	(121)	-	13	13
Licenses and fines	6,000	6,415	415	6,600	5,682	(918)
Total revenues	6,000	7,744	1,744	6,600	6,412	(188)
Expenditures:						
Current:						
Administration and other	1,098	652	446	-	909	(909)
Transportation subsidies	15,147	7,873	7,274	16,713	4,929	11,784
Total expenditures	16,245	8,525	7,720	16,713	5,838	10,875
Excess (deficiency) of revenues over expenditures	(10,245)	(781)	9,464	(10,113)	574	10,687
Other financing Sources (Uses):						
Operating transfers in	-	-	-	-	1,212	1,212
Total other financing and sources (uses)	(8,744)	-	8,744	-	1,212	1,212
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(18,989)	(781)	18,208	(10,113)	1,786	11,899
Fund balances - beginning of year	21,899	21,899	-	20,113	20,113	-
Fund balances - end of year	\$ 2,910	\$ 21,118	\$ 18,208	\$ 10,000	\$ 21,899	\$ 11,899

Los Angeles County Metropolitan Transportation Authority
Transportation Development Act Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-13

	1999	1998
Assets		
Cash and cash equivalents	\$ 108,851	\$ 100,768
Receivables:		
Intergovernmental	-	377
Interest	509	1,214
Interfund receivable	10,697	10,698
Total Current Assets	<u>120,057</u>	<u>113,057</u>
Cash and cash equivalents	-	-
Total assets	<u>\$ 120,057</u>	<u>\$ 113,057</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 83	\$ 747
Accrued liabilities	154	761
Interfund payable	2,686	2,795
Due to other governments	-	17
Total liabilities	<u>2,923</u>	<u>4,320</u>
Fund Balances:		
Reserved for memoranda of understanding	99,424	98,039
Reserved for interfund receivable	-	10,698
Unreserved, undesignated	17,710	-
Total fund balances	<u>117,134</u>	<u>108,737</u>
Total liabilities and fund balances	<u>\$ 120,057</u>	<u>\$ 113,057</u>

**Los Angeles County Metropolitan Transportation Authority
Transportation Development Act Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)**

Exhibit B-14

	1999	1998
Revenues:		
Sales tax	\$ 229,274	\$ 219,888
Intergovernmental	799	-
Investment income	6,226	9,524
Other	764	479
Total revenues	237,063	229,891
Expenditures:		
Current:		
Administration and other	-	129
Transportation subsidies	65,512	69,100
Total expenditures	65,512	69,229
Excess (deficiency) of revenues over expenditures	171,551	160,662
Other financing Sources (Uses):		
Operating transfers in	29,522	-
Operating transfers out	(192,676)	(187,281)
Total other financing and sources (uses)	(163,154)	(187,281)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	8,397	(26,619)
Fund balance - beginning of year	108,737	135,356
Fund balance - end of year	\$ 117,134	\$ 108,737

Los Angeles County Metropolitan Transportation Authority
Transportation Development Act Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-14A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Sales tax	\$ 228,667	\$ 229,274	\$ 607	\$ 225,700	\$ 219,888	\$ (5,812)
Intergovernmental	-	799	799	-	-	-
Investment income	7,500	6,226	(1,274)	8,000	9,524	1,524
Other	-	764	764	-	479	479
Total revenues	236,167	237,063	896	233,700	229,891	(3,809)
Expenditures:						
Current:						
Administration and other	-	-	-	-	129	(129)
Transportation subsidies	86,159	65,512	20,647	65,638	69,100	(3,462)
Total expenditures	86,159	65,512	20,647	65,638	69,229	(3,591)
Excess (deficiency) of revenues over expenditures	150,008	171,551	21,543	168,062	160,662	(7,400)
Other financing Sources (Uses):						
Operating transfers in	-	29,522	29,522	-	-	-
Operating transfers out	(187,264)	(192,676)	(5,412)	(176,935)	(187,281)	(10,346)
Total other financing and sources (uses)	(187,264)	(163,154)	24,110	(176,935)	(187,281)	(10,346)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(37,256)	8,397	45,653	(8,873)	(26,619)	(17,746)
Fund balance - beginning of year	108,737	108,737	-	135,356	135,356	-
Fund balance - end of year	\$ 71,481	\$ 117,134	\$ 45,653	\$ 126,483	\$ 108,737	\$ (17,746)

Los Angeles County Metropolitan Transportation Authority
PVEA Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-15

	<u>1999</u>	<u>1998</u>
Assets		
Cash and cash equivalents	\$ 377	\$ 228
Receivables:		
Interest	2	1
Interfund receivable	(2)	-
Total assets	<u>\$ 377</u>	<u>\$ 229</u>
Fund Balances:		
Unreserved, undesignated	377	229
Total fund balances	<u>377</u>	<u>229</u>
Total fund balances	<u>\$ 377</u>	<u>\$ 229</u>

Los Angeles County Metropolitan Transportation Authority
PVEA Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-16

	1999	1998
Revenues:		
Intergovernmental	\$ 133	\$ 232
Investment Income	17	25
Net appreciation (decline) in fair value of investments	(2)	-
Total revenues	148	257
Expenditures:		
Current:		
Transportation subsidies	-	9
Total expenditures	-	9
Excess (deficiency) of revenues over expenditures	148	248
Other financing Sources (Uses):		
Operating transfers in	-	100
Operating transfers out	-	(1,223)
Total other financing and sources (uses)	-	(1,123)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	148	(875)
Fund balances - beginning of year	229	1,104
Fund balances - end of year	\$ 377	\$ 229

PVEA Special Revenue Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the years ended June 30, 1999 and June 30, 1998

(Amounts expressed in thousands)

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 1,234	\$ 133	\$ (1,101)	\$ -	\$ 232	\$ 232
Investment income	-	17	17	-	25	25
Net appreciation (decline) in fair value of investments	-	(2)	(2)	-	-	-
Other	-	-	-	700	-	(700)
Total revenues	<u>1,234</u>	<u>148</u>	<u>(1,086)</u>	<u>700</u>	<u>257</u>	<u>(443)</u>
Expenditures:						
Current:						
Transportation subsidies	-	-	-	700	9	691
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>9</u>	<u>691</u>
Excess (deficiency) of revenues over expenditures	<u>1,234</u>	<u>148</u>	<u>(1,086)</u>	<u>-</u>	<u>248</u>	<u>248</u>
Other financing Sources (Uses):						
Operating transfers in	100	-	(100)	1,102	100	(1,002)
Operating transfers out	(1,102)	-	1,102	-	(1,223)	(1,223)
Total other financing and sources (uses)	<u>(1,002)</u>	<u>-</u>	<u>1,002</u>	<u>1,102</u>	<u>(1,123)</u>	<u>(2,225)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>232</u>	<u>148</u>	<u>(84)</u>	<u>1,102</u>	<u>(875)</u>	<u>(1,977)</u>
Fund balances - beginning of year	<u>229</u>	<u>229</u>	<u>-</u>	<u>1,104</u>	<u>1,104</u>	<u>-</u>
Fund balances - end of year	<u>\$ 461</u>	<u>\$ 377</u>	<u>\$ (84)</u>	<u>\$ 2,206</u>	<u>\$ 229</u>	<u>\$ (1,977)</u>

Los Angeles County Metropolitan Transportation Authority
Federal Aid Urban Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-17

	1999	1998
Assets		
Cash and cash equivalents	\$ 15,408	\$ 14,446
Receivables:		
Intergovernmental	-	49
Interest	72	28
Total assets	\$ 15,480	\$ 14,523
Fund Balances:		
Reserved for memoranda of understanding	1,158	14,523
Unreserved, undesignated	14,322	-
Total fund balances	15,480	14,523
Total liabilities and fund balances	\$ 15,480	\$ 14,523

Los Angeles County Metropolitan Transportation Authority
Federal Aid Urban Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-18

	1999	1998
	<u> </u>	<u> </u>
Revenues:		
Intergovernmental	\$ 66	\$ -
Investment income	973	540
Net appreciation (decline) in fair value of investments	(82)	9
	<u> </u>	<u> </u>
Total revenues	957	549
	<u> </u>	<u> </u>
Expenditures:		
Current:		
Transportation subsidies	-	14
	<u> </u>	<u> </u>
Total expenditures	-	14
	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	957	535
	<u> </u>	<u> </u>
Other financing Sources (Uses):		
Operating transfers out	-	(2,880)
	<u> </u>	<u> </u>
Total other financing and sources (uses)	-	(2,880)
	<u> </u>	<u> </u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	957	(2,345)
Fund balances - beginning of year	14,523	16,868
Fund balances - end of year	<u>\$ 15,480</u>	<u>\$ 14,523</u>

Los Angeles County Metropolitan Transportation Authority
 Federal Aid Urban Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-18A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ -	\$ 66	\$ 66	\$ -	\$ -	\$ -
Investment income	650	973	323	1,500	540	(960)
Net appreciation (decline) in fair value of investments	-	(82)	(82)	-	9	9
Other	-	-	-	3,100	-	(3,100)
Total revenues	650	957	307	4,600	549	(4,051)
Expenditures:						
Current:						
Transportation subsidies	-	-	-	2,800	14	2,786
Total expenditures	-	-	-	2,800	14	2,786
Excess (deficiency) of revenues over expenditures	650	957	307	1,800	535	(1,265)
Other financing Sources (Uses):						
Operating transfers in	-	-	-	1,380	-	(1,380)
Operating transfers out	(2,880)	-	2,880	-	(2,880)	(2,880)
Total other financing and sources (uses)	(2,880)	-	2,880	1,380	(2,880)	(4,260)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,230)	957	3,187	3,180	(2,345)	(5,525)
Fund balances - beginning of year	14,523	14,523	-	16,868	16,868	-
Fund balances - end of year	\$ 12,293	\$ 15,480	\$ 3,187	\$ 20,048	\$ 14,523	\$ (5,525)

Los Angeles County Metropolitan Transportation Authority
Port Highway Improvement Match Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-19

	1999	1998
Assets		
Cash and cash equivalents	\$ 6,904	\$ 10,673
Receivables:		
Interest	34	22
Total assets	\$ 6,938	\$ 10,695
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 3,646	\$ -
Accrued liabilities	4,112	16
Total liabilities	7,758	16
Fund Balances:		
Reserved for memoranda of understanding	3,488	-
Unreserved, undesignated	(4,308)	10,679
Total fund balances	(820)	10,679
Total liabilities and fund balances	\$ 6,938	\$ 10,695

Los Angeles County Metropolitan Transportation Authority
Port Highway Improvement Match Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-20

	<u>1999</u>	<u>1998</u>
Revenues:		
Investment income	\$ 499	\$ 372
Net appreciation (decline) in fair value of investments	(39)	7
	<u>460</u>	<u>379</u>
Total revenues	460	379
Expenditures:		
Current:		
Transportation subsidies	11,959	15
	<u>11,959</u>	<u>15</u>
Total expenditures	11,959	15
Excess (deficiency) of revenues over expenditures	(11,499)	364
Fund balances - beginning of year	10,679	10,315
Fund (deficit) balances - end of year	\$ <u>(820)</u>	\$ <u>10,679</u>

Los Angeles County Metropolitan Transportation Authority
Port Highway Improvement Match Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit B-20A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 2,691	\$ -	\$ (2,691)	\$ -	\$ -	\$ -
Investment income	216	499	283	-	372	372
Net appreciation (decline) in fair value of investments	-	(39)	(39)	-	7	7
Total revenues	<u>2,907</u>	<u>460</u>	<u>(2,447)</u>	<u>-</u>	<u>379</u>	<u>379</u>
Expenditures:						
Current:						
Transportation subsidies	10,000	11,959	(1,959)	-	15	(15)
Total expenditures	<u>10,000</u>	<u>11,959</u>	<u>(1,959)</u>	<u>-</u>	<u>15</u>	<u>(15)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,093)</u>	<u>(11,499)</u>	<u>(4,406)</u>	<u>-</u>	<u>364</u>	<u>364</u>
Other financing Sources (Uses):						
Operating transfers in	10,622	-	(10,622)	-	-	-
Total other financing and sources (uses)	<u>10,622</u>	<u>-</u>	<u>(10,622)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>3,529</u>	<u>(11,499)</u>	<u>(15,028)</u>	<u>-</u>	<u>364</u>	<u>364</u>
Fund balances - beginning of year	10,679	10,679	-	10,315	10,315	-
Fund (deficit) balances - end of year	<u>\$ 14,208</u>	<u>\$ (820)</u>	<u>\$ (15,028)</u>	<u>\$ 10,315</u>	<u>\$ 10,679</u>	<u>\$ 364</u>

Los Angeles County Metropolitan Transportation Authority
Budget Change Proposal Fund for Freeway Service State TCI
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-21

	1999	1998
Assets		
Cash and cash equivalents	\$ 70	\$ 16
Receivables:		
Intergovernmental	-	901
Interest	24	5
Total assets	\$ 94	\$ 922
Liabilities and Fund Balance		
Liabilities:		
Interfund payable	\$ -	\$ 500
Total liabilities	-	500
Fund Balances:		
Unreserved, undesignated	94	422
Total fund balances	94	422
Total liabilities and fund balances	\$ 94	\$ 922

**Los Angeles County Metropolitan Transportation Authority
 Budget Change Proposal Fund for Freeway Service State TCI
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)**

Exhibit B-22

	1999	1998
Revenues:		
Intergovernmental	\$ 4,544	\$ 3,606
Investment income	154	58
Net appreciation (decline) in fair value of investments	(26)	2
Total revenues	4,672	3,666
Expenditures:		
Current:		
Administration and other	-	-
Transportation subsidies	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	4,672	3,666
Other financing Sources (Uses):		
Operating transfers out	(5,000)	(3,247)
Total other financing and sources (uses)	(5,000)	(3,247)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(328)	419
Fund balances - beginning of year	422	3
Fund balances - end of year	\$ 94	\$ 422

Los Angeles County Metropolitan Transportation Authority
 Budget Change Proposal Fund for Freeway Service State TCI
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-22A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 4,544	\$ 4,544	\$ -	\$ 6,065	\$ 3,606	\$ (2,459)
Investment income	-	154	154	-	58	58
Net appreciation (decline) in fair value of investments	-	(26)	(26)	-	2	2
Total revenues	<u>4,544</u>	<u>4,672</u>	<u>128</u>	<u>6,065</u>	<u>3,666</u>	<u>(2,399)</u>
Expenditures:						
Current:						
Administration and other	-	-	-	-	-	-
Transportation subsidies	-	-	-	6,063	-	6,063
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,063</u>	<u>-</u>	<u>6,063</u>
Excess (deficiency) of revenues over expenditures	<u>4,544</u>	<u>4,672</u>	<u>128</u>	<u>2</u>	<u>3,666</u>	<u>3,664</u>
Other financing Sources (Uses):						
Operating transfers out	-	(5,000)	(5,000)	-	(3,247)	(3,247)
Total other financing and sources (uses)	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>2,758</u>	<u>(3,247)</u>	<u>(6,005)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>4,544</u>	<u>(328)</u>	<u>(4,872)</u>	<u>2,760</u>	<u>419</u>	<u>(2,341)</u>
Fund balances - beginning of year	422	422	-	3	3	-
Fund balances - end of year	<u>\$ 4,966</u>	<u>\$ 94</u>	<u>\$ (4,872)</u>	<u>\$ 2,763</u>	<u>\$ 422</u>	<u>\$ (2,341)</u>

Los Angeles County Metropolitan Transportation Authority
FEMA Earthquake Reimbursement Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

Exhibit B-23

	<u>1999</u>	<u>1998</u>
Assets		
Cash and cash equivalents	\$ 286	\$ 146
Receivables:		
Intergovernmental	7,946	9,913
Leases and other	604	606
Interfund receivable	1,780	1,778
Total assets	<u>\$ 10,616</u>	<u>\$ 12,443</u>
Liabilities and Fund Balance		
Liabilities:		
Interfund payable	\$ 6,975	\$ 7,679
Total liabilities	<u>6,975</u>	<u>7,679</u>
Fund Balances:		
Reserved for memoranda of understanding	3,641	2,985
Reserved for interfund receivable	-	1,779
Total fund balances	<u>3,641</u>	<u>4,764</u>
Total liabilities and fund balances	<u>\$ 10,616</u>	<u>\$ 12,443</u>

**Los Angeles County Metropolitan Transportation Authority
FEMA Earthquake Reimbursement Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)**

Exhibit B-24

	1999	1998
Revenues:		
Intergovernmental	\$ 333	\$ 1,422
Other	16	-
	<u>349</u>	<u>1,422</u>
Total revenues	349	1,422
Expenditures:		
Current:		
Administration and other	121	91
	<u>121</u>	<u>91</u>
Total expenditures	121	91
Excess (deficiency) of revenues over expenditures	<u>228</u>	<u>1,331</u>
Other financing Sources (Uses):		
Operating transfers out	(1,351)	(338)
	<u>(1,351)</u>	<u>(338)</u>
Total other financing and sources (uses)	(1,351)	(338)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,123)</u>	<u>993</u>
Fund (deficit) balances - beginning of year	4,764	3,771
Fund balances - end of year	<u>\$ 3,641</u>	<u>\$ 4,764</u>

Los Angeles County Metropolitan Transportation Authority
Federal Board of Education Special Revenue Fund
Comparative Balance Sheets
June 30, 1999 and 1998
 (Amounts expressed in thousands)

Exhibit B-25

	1999	1998
Assets		
Cash and cash equivalents	\$ 5,279	\$ 78
Receivables:		
Intergovernmental	-	5,031
Total Current Assets	<u>5,279</u>	<u>5,109</u>
Total assets	<u>\$ 5,279</u>	<u>\$ 5,109</u>
Liabilities and Fund Balance		
Liabilities:		
Interfund payable	\$ -	\$ 202
Total liabilities	<u>-</u>	<u>202</u>
Fund Balances:		
Reserved for memoranda of understanding	-	4,907
Unreserved, undesignated	5,279	-
Total fund (deficit) balances	<u>5,279</u>	<u>4,907</u>
Total liabilities and fund balances	<u>\$ 5,279</u>	<u>\$ 5,109</u>

Los Angeles County Metropolitan Transportation Authority
 Federal Board of Education Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-26

	1999	1998
Revenues:		
Intergovernmental	\$ -	\$ 5,521
Total revenues	-	5,521
Expenditures:		
Current:		
Transportation subsidies	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	-	5,521
Other financing Sources (Uses):		
Operating transfers in	372	-
Operating transfers out	-	(463)
Total other financing and sources (uses)	372	(463)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	372	5,058
Fund (deficit) balances - beginning of year	4,907	(151)
Fund balances - end of year	\$ 5,279	\$ 4,907

Los Angeles County Metropolitan Transportation Authority
 Federal Board of Education Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the years ended June 30, 1999 and June 30, 1998
 (Amounts expressed in thousands)

Exhibit B-26A

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 300	\$ -	\$ (300)	\$ -	\$ 5,521	\$ 5,521
Investment income	-	-	-	-	1	1
Other	-	-	-	-	(1)	(1)
Total revenues	300	-	(300)	-	5,521	5,521
Expenditures:						
Current:						
Transportation subsidies	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	300	-	(300)	-	5,521	5,521
Other financing Sources (Uses):						
Operating transfers in	-	372	372	-	-	-
Operating transfers out	(384)	-	384	-	(463)	(463)
Total other financing and sources (uses)	(384)	372	756	-	(463)	(463)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(84)	372	456	-	5,058	5,058
Fund (deficit) balances - beginning of year	4,907	4,907	-	(151)	(151)	-
Fund balances - end of year	\$ 4,823	\$ 5,279	\$ 456	\$ (151)	\$ 4,907	\$ 5,058

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

Los Angeles County Metropolitan Transportation Authority
Debt Service Fund
Comparative Balance Sheets
June 30, 1999 and 1998
 (Amounts expressed in thousands)

Exhibit C-1

	1999	1998
Assets		
Cash and cash equivalents	\$ 4,120	\$ 2,439
Receivables:		
Intergovernmental	-	210
Interest	2,411	2,503
Leases and other	2,563	2,541
Restricted:		
Cash and cash equivalents	142,282	134,737
Investments	70,726	88,286
Total assets	\$ 222,102	\$ 230,716
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	\$ 571	\$ 431
Accrued liabilities	235	1,230
Accrued interest payable	73,893	77,906
Bonds and notes payable - current	37,770	41,675
Total liabilities	112,469	121,242
Fund Balances:		
Reserved for debt service	109,633	109,474
Total fund balances	109,633	109,474
Total liabilities and fund balances	\$ 222,102	\$ 230,716

Los Angeles County Metropolitan Transportation Authority
Debt Service Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 1999 and June 30, 1998
(Amounts expressed in thousands)

Exhibit C-2

	1999	1998
Revenues:		
Intergovernmental	\$ 3,403	\$ 3,583
Investment income	10,851	12,574
Net appreciation (decline) in fair value of investments	(157)	157
Other	1,449	278
Total revenues	15,546	16,592
Expenditures:		
Current:		
Interest and fiscal charges	169,011	172,579
Bond issuance costs	909	89
Bond principal & Commercial Paper-Retirement	130,757	45,025
Joint development expenditure	1,606	1,657
Total expenditures	302,283	219,350
Excess (deficiency) of revenues over expenditures	(286,737)	(202,758)
Other financing Sources (Uses):		
Operating transfers in	194,725	184,820
Operating transfers out	(2,425)	(3,906)
Proceeds from financing	106,702	-
Proceeds of refunding bonds	330,700	219,710
Payment to refunding bond escrow agent	(342,806)	(377,721)
Total other financing and sources (uses)	286,896	22,903
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	159	(179,855)
Fund balances - beginning of year	109,474	289,329
Fund balances - end of year	\$ 109,633	\$ 109,474

Debt Service Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the years ended June 30, 1999 and June 30, 1998

(Amounts expressed in thousands)

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 2,611	\$ 3,403	\$ 792	\$ -	\$ 3,583	\$ 3,583
Investment income	-	10,851	10,851	-	12,574	12,574
Net appreciation (decline) in fair value of investments	-	(157)	(157)	-	157	157
Other	-	1,449	1,449	15,552	278	(15,274)
Total revenues	2,611	15,546	12,935	15,552	16,592	1,040
Expenditures:						
Current:						
Interest and fiscal charges	273,663	169,011	104,652	185,000	172,579	12,421
Bond issuance costs	-	909	(909)	22,000	89	21,911
Bond principal	51,076	130,757	(79,681)	45,756	45,025	731
Joint development expenditure	-	1,606	(1,606)	-	1,657	(1,657)
Total expenditures	324,739	302,283	22,456	252,756	219,350	33,406
Excess (deficiency) of revenues over expenditures	(322,128)	(286,737)	35,391	(237,204)	(202,758)	34,446
Other financing Sources (Uses):						
Operating transfers in	247,333	194,725	(52,608)	182,252	184,820	2,568
Operating transfers out	-	(2,425)	(2,425)	(10,236)	(3,906)	6,330
Proceeds from financing	106,702	106,702	-	40,487	-	(40,487)
Proceeds of refunding bonds	-	330,700	330,700	-	219,710	219,710
Payment to refunding bond escrow agent	(25,000)	(342,806)	(317,806)	-	(377,721)	(377,721)
Total other financing and sources (uses)	329,035	286,896	(42,139)	212,503	22,903	(189,600)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,907	159	(6,748)	(24,701)	(179,855)	(155,154)
Fund balances - beginning of year	109,474	109,474	-	289,329	289,329	-
Fund balances - end of year	\$ 116,381	\$ 109,633	\$ (6,748)	\$ 264,628	\$ 109,474	\$ (155,154)

Capital Projects Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

Heavy Rail Fund - Metro Rail (MOS-2 & 3)

Light Rail Fund - Pasadena and Greenline

Commuter Rail Fund - Commuter project

SB-1995 Fund- (MOS-3) North Hollywood Segment

Other Bus Capital - Construction in progress & Bus Facilities

Los Angeles County Metropolitan Transportation Authority
 Capital Project Funds
 Combining Balance Sheet
 June 30, 1999
 (Amounts expressed in thousands)

Exhibit D-1

	Light Rail	Metro Rail	Commuter Rail	SB 1995 Rail	Other Capital	Total
Assets						
Cash and cash equivalents	\$ 13,442	\$ 50,882	\$ 18,171	\$ -	\$ 1,406	\$ 83,901
Investments	4,311	-	-	-	-	4,311
Receivables:						
Accounts	-	-	403	-	-	403
Intergovernmental	1,853	88,080	-	-	40,126	130,059
Interest	-	643	82	-	15	740
Leases and other	7,650	-	113	-	-	7,763
Prepaid items and other assets	-	3,920	-	-	-	3,920
Total Current Assets	27,256	143,525	18,769	-	41,547	231,097
Restricted:						
Cash and cash equivalents	35	15,127	-	-	-	15,162
Investments	-	21,319	-	-	-	21,319
Total assets	\$ 27,291	\$ 179,971	\$ 18,769	\$ -	\$ 41,547	\$ 267,578
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ 2,209	\$ 30,919	\$ 204	\$ -	\$ 20,882	\$ 54,214
Accrued liabilities	843	29,507	47	-	4,842	35,239
Claims and judgement payable	2,135	18,650	-	-	-	20,785
Interfund payable	-	90,698	-	-	15,500	106,198
Due to other governments	-	-	-	-	-	-
Deferred revenues	7,650	10,480	-	-	-	18,130
Other liabilities	58	100	176	-	-	334
Total liabilities	12,895	180,354	427	-	41,224	234,900
Fund Balances:						
Reserved for encumbrances	125,181	167,893	-	-	81,541	374,615
Reserved for prepaid and other assets	-	3,920	-	-	-	3,920
Unreserved, undesignated	(110,785)	(172,196)	18,342	-	(81,218)	(345,857)
Total fund (deficit) balances	14,396	(383)	18,342	-	323	32,678
Total liabilities and fund balances	\$ 27,291	\$ 179,971	\$ 18,769	\$ -	\$ 41,547	\$ 267,578

Los Angeles County Metropolitan Transportation Authority
Capital Project Funds
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 1999
(Amounts expressed in thousands)

Exhibit D-2

	Light Rail	Metro Rail	Commuter Rail	SB 1995 Rail	Other Capital	Total
Revenues:						
Intergovernmental	\$ 9,654	\$ 56,184	\$ 85	\$ 82,389	\$ 76,565	\$ 224,877
Investment income	7	4,936	1,187	-	235	6,365
Net appreciation (decline) in fair value of investments	257	(252)	(97)	-	-	(92)
Lease and rental	-	36	1,564	-	-	1,600
Other	4,400	72	(54)	-	-	4,418
Total revenues	14,318	60,976	2,685	82,389	76,800	237,168
Expenditures:						
Current:						
Administration and other	4,100	9,259	1,034	18,602	3,048	36,043
Capital Outlay	15,724	161,067	3,676	103,795	93,703	377,965
Total expenditures	19,824	170,326	4,710	122,397	96,751	414,008
Excess (deficiency) of revenues over expenditures	(5,506)	(109,350)	(2,025)	(40,008)	(19,951)	(176,840)
Other financing Sources (Uses):						
Operating transfers in	24,158	41,722	-	40,008	28,689	134,577
Operating transfers out	(80,101)	(69,607)	(4,876)	-	(8)	(154,592)
Proceeds from financing	10,882	182,561	-	-	-	193,443
Total other financing and sources (uses)	(45,061)	154,676	(4,876)	40,008	28,681	173,428
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(50,567)	45,326	(6,901)	-	8,730	(3,412)
Fund balances - beginning of year	64,963	(45,709)	25,243	-	(8,407)	36,090
Fund (deficit) balances - end of year	\$ 14,396	\$ (383)	\$ 18,342	\$ -	\$ 323	32,678

Capital Project Funds

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the years ended June 30, 1999 and June 30, 1998

(Amounts expressed in thousands)

	1999			1998		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 550,305	\$ 224,877	\$ (325,428)	\$ 431,834	\$ 287,292	\$ (144,542)
Investment income	-	6,365	6,365	-	15,106	15,106
Net appreciation (decline) in fair value of investments	-	(92)	(92)	-	265	265
Lease and rental	-	1,600	1,600	8,100	9,097	997
Other	3,650	4,418	768	120	363	243
Total revenues	553,955	237,168	(316,787)	440,054	312,123	(127,931)
Expenditures:						
Current:						
Administration and other	50,415	36,043	14,372	4,752	54,179	(49,427)
Capital Outlay	557,453	377,965	179,488	1,130,440	523,872	606,568
Total expenditures	607,868	414,008	193,860	1,135,192	578,051	557,141
Excess (deficiency) of revenues over expenditures	(53,913)	(176,840)	(122,927)	(695,138)	(265,928)	429,210
Other financing Sources (Uses):						
Operating transfers in	394,229	134,577	(259,652)	176,964	260,614	83,650
Operating transfers out	(349,909)	(154,592)	195,317	(14,957)	(263,683)	(248,726)
Proceeds from financing	200,556	193,443	(7,113)	346,867	-	(346,867)
Total other financing sources (uses)	244,876	173,428	(71,448)	508,874	(3,069)	(511,943)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	190,963	(3,412)	(194,375)	(186,264)	(268,997)	(82,733)
Fund balances - beginning of year	36,090	36,090	-	305,087	305,087	-
Fund balances - end of year	\$ 227,053	\$ 32,678	\$ (194,375)	\$ 118,823	\$ 36,090	\$ (82,733)

Enterprise Fund

The Enterprise Fund is used to account for operations which are financed and operated in a manner similar to private businesses where the intent is that costs (including depreciation) of providing goods or services to the general public on a continuing basis be recovered primarily through user charges.

Bus operations

Heavy & Light Rail operations

Los Angeles County Metropolitan Transportation Authority
Enterprise Fund
Comparative Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>1999</u>	<u>1998</u>
Assets:		
Cash and cash equivalents	\$ 109,420	\$ 11,218
Receivables:		
Accounts	13,761	18,805
Intergovernmental	47,185	32,279
Interest	1,247	341
Leases and other	171	152
Interfund	2,686	2,795
Inventory	52,865	51,386
Prepaid items and other assets	5,414	3,017
Restricted Assets:		
Cash and cash equivalents	50,414	35,130
Investments	123,393	13,843
Fixed Assets	<u>4,592,172</u>	<u>3,093,735</u>
Total assets	\$ <u>4,998,728</u>	\$ <u>3,262,701</u>
Liabilities and Equity		
Liabilities:		
Accounts payable	\$ 30,715	\$ 30,034
Accrued liabilities	12,319	213
Claims and judgement payable	170,836	36,421
Interfund payable	14,463	176,590
Accrued interest payable	6,163	2,054
Compensated absences payable	31,178	-
Bonds and notes payable - current	17,665	9,865
Deferred revenue	9,399	9,104
Post retirement benefits payable	70,004	-
Bonds and notes payable	<u>174,620</u>	<u>59,185</u>
Total Liabilities	<u>537,362</u>	<u>323,466</u>
Equity:		
Retained earnings (deficit)	(89,094)	(102,240)
Capital grants (contributed capital)		
Federal	1,630,240	970,495
State	300,688	308,664
Local	2,619,532	1,762,316
Total equity	<u>4,461,366</u>	<u>2,939,235</u>
Total liabilities and equity	\$ <u>4,998,728</u>	\$ <u>3,262,701</u>

Los Angeles County Metropolitan Transportation Authority
Enterprise Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
For the years ended June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Passenger fares	\$ 228,854	\$ 222,502
Route subsidies	1,147	265
Auxiliary transportation	<u>12,275</u>	<u>8,570</u>
Total operating revenues	<u>242,276</u>	<u>231,337</u>
Operating expenses:		
Transportation	475,280	433,560
Vehicle maintenance	187,645	113,368
Non-vehicle maintenance	27,065	27,352
General and administrative	125,274	140,332
Depreciation	<u>159,210</u>	<u>158,027</u>
Total operating expenses	<u>974,474</u>	<u>872,639</u>
Operating loss	<u>(732,198)</u>	<u>(641,302)</u>
Non-operating revenues (expenses):		
Local operating grants	1,488	1,560
Federal operating grants	55,845	26,372
Interest revenue	8,152	3,691
Net appreciation (decline) in fair value of investments	(550)	192
Interest expense	(12,608)	(4,108)
Gain (loss) on disposition of fixed assets	(685)	2,606
Other	<u>5,536</u>	<u>3,045</u>
Total nonoperating revenues (expenses)	<u>57,178</u>	<u>33,358</u>
Loss before operating transfers in	(675,020)	(607,944)
Operating transfers in	<u>528,956</u>	<u>445,861</u>
Loss for the year	(146,064)	(162,083)
Add back depreciation on assets acquired with capital grants	<u>159,210</u>	<u>157,684</u>
Increase (decrease) in retained earnings	13,146	(4,399)
Retained earnings (deficit) - beginning of year	<u>(102,240)</u>	<u>(97,841)</u>
Retained earnings (deficit) - end of year	\$ <u>(89,094)</u>	\$ <u>(102,240)</u>

Los Angeles County Metropolitan Transportation Authority
Enterprise Fund
Comparative Statement of Cash Flows
For the years ended June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>1999</u>	<u>1998</u>
Cash flow from operating activities:		
Operating loss	\$ (732,883) *	\$ (638,696) *
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	159,210	158,027
Gain (loss) on disposition of fixed assets	685	(2,606)
Net effect of changes in:		
Accounts receivables	5,044	3,025
Leases and other receivables	(18)	2,997
Interfund receivable	109	6,604
Prepaid and other assets	(2,399)	272
Inventories	(1,479)	(3,674)
Accounts payables	681	9,062
Accrued liabilities	12,105	(78)
Interfund payable	(29,027)	(53,787)
Compensated absences payable	31,178	-
Post retirement benefits payable	70,004	-
Claims and judgement payable	134,415	36,421
Deferred revenues	295	286
Net cash used in operating activities	<u>(352,080)</u>	<u>(482,147)</u>
Cash flow from non-capital financing activities:		
Proceeds from operating grants	42,427	30,065
Operating transfers in from other funds	528,956	445,861
Proceeds from sale of miscellaneous obsolete parts and other	5,536	-
Net cash provided by non-capital financing activities	<u>576,919</u>	<u>475,926</u>
Cash flow from capital and related financing activities:		
Proceeds from capital grants received	9,865	10,228
Proceeds from sale/retirement of fixed assets	-	3,308
Payment of matured bonds and notes payable	(9,865)	(9,865)
Interest paid on bonds and notes payable	(8,499)	(4,367)
Net cash used in capital and related financing activities	<u>(8,499)</u>	<u>(696)</u>
Cash flow from investing activities:		
Proceeds from sales and maturity of investments	124,458	11,661
Purchase of investments	(234,008)	(7,481)
Interest received on investments	6,696	3,605
Net cash provided by investing activities	<u>(102,854)</u>	<u>7,785</u>
Net increase in cash and cash equivalents	113,486	868
Cash and cash equivalents - beginning of year	<u>46,348</u>	<u>45,480</u>
Cash and cash equivalents - end of year	<u>\$ 159,834</u>	<u>\$ 46,348</u>
Supplemental schedule of noncash investing, capital and financing transactions:		
Transfer of fixed assets from General Fixed Assets Account Group	\$ 1,658,331	\$ 138,454
Transfer of bonds and notes payable from Internal Service Fund	133,100	-
	<u>\$ 1,791,431</u>	<u>\$ 138,454</u>

* - The operating loss includes gain (loss) on disposition of fixed assets

Internal Service Funds

The Internal Service Funds are used to account for the goods and services provided to MTA projects and funds on a cost reimbursement basis.

Los Angeles County Metropolitan Transportation Authority
Internal Service Fund
Combining Balance Sheets
June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>LACMTA</u>	<u>PTSC</u>	<u>PRMA</u>	<u>1999</u>	<u>1998</u>
Assets:					
Cash and cash equivalents	\$ 40,026	\$ 3,525	\$ 2,754	\$ 46,305	\$ 154,316
Receivables:					
Interest	378	-	-	378	147
Intergovernmental	2,754	19,593	-	22,347	25,079
Leases and others	859	265	-	1,124	1,242
Interfund	-	-	-	-	161,654
Prepaid and other assets	69	-	-	69	3,467
Restricted Assets:					
Cash and cash equivalents	-	-	-	-	17,626
Investments	-	-	-	-	53,944
Fixed assets, net	<u>141,007</u>	<u>-</u>	<u>-</u>	<u>141,007</u>	<u>147,896</u>
Total Assets	\$ <u>185,093</u>	\$ <u>23,383</u>	\$ <u>2,754</u>	\$ <u>211,230</u>	\$ <u>565,371</u>
Liabilities and Equity					
Liabilities:					
Accounts payable	\$ 28,191	\$ 63	\$ 2,754	\$ 31,008	\$ 32,844
Accrued liabilities	15,895	4,962	-	20,857	32,890
Claims and judgement payable	-	1,626	-	1,626	99,156
Accrued interest payable	-	-	-	-	4,595
Compensated absences payable	-	16,732	-	16,732	52,232
Bonds and notes payable - current	-	-	-	-	7,400
Post retirement benefits payable	-	-	-	-	55,258
Bonds and notes payable	-	-	-	-	133,100
Total Liabilities	<u>44,086</u>	<u>23,383</u>	<u>2,754</u>	<u>70,223</u>	<u>417,475</u>
Retained earnings (deficit)	-	-	-	-	-
Capital grants (contributed capital):					
Federal	-	-	-	-	-
State	-	-	-	-	-
Local	<u>141,007</u>	<u>-</u>	<u>-</u>	<u>141,007</u>	<u>147,896</u>
Total equity	<u>141,007</u>	<u>-</u>	<u>-</u>	<u>141,007</u>	<u>147,896</u>
Total Liabilities and Equity	\$ <u>185,093</u>	\$ <u>23,383</u>	\$ <u>2,754</u>	\$ <u>211,230</u>	\$ <u>565,371</u>

Los Angeles County Metropolitan Transportation Authority
Internal Service Fund
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings
For the years ended June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>LACMTA</u>	<u>PTSC</u>	<u>PRMA</u>	<u>1999</u>	<u>1998</u>
Operating revenues:					
Charges for services	\$ 312,125	\$ 120,154	\$ 27,092	\$ 459,371	\$ 484,914
Total operating revenues	<u>312,125</u>	<u>120,154</u>	<u>27,092</u>	<u>459,371</u>	<u>484,914</u>
Operating expenses:					
General and administrative	47,336	142	-	47,478	55,441
Depreciation	6,889	-	-	6,889	6,890
Salaries and wages	99,349	84,266	-	183,615	177,828
Fringe benefits	164,338	35,746	27,092	227,176	255,436
Total operating expenses	<u>317,912</u>	<u>120,154</u>	<u>27,092</u>	<u>465,158</u>	<u>495,595</u>
Operating loss	<u>(5,787)</u>	<u>-</u>	<u>-</u>	<u>(5,787)</u>	<u>(10,681)</u>
Non-operating revenues (expenses):					
Interest revenue	6,150	-	-	6,150	3,058
Interest expense	-	-	-	-	(9,472)
Net appreciation/(decline) in fair value of investments	(159)	-	-	(159)	1,071
Other	153	-	-	153	873
Total nonoperating revenues (expenses)	<u>6,144</u>	<u>-</u>	<u>-</u>	<u>6,144</u>	<u>(4,470)</u>
Loss before operating transfers in/out	<u>357</u>	<u>-</u>	<u>-</u>	<u>357</u>	<u>(15,151)</u>
Operating transfers in	-	-	-	-	9,472
Operating transfers out	<u>(7,246)</u>	<u>-</u>	<u>-</u>	<u>(7,246)</u>	<u>-</u>
Net Operating transfers in/out	<u>(7,246)</u>	<u>-</u>	<u>-</u>	<u>(7,246)</u>	<u>9,472</u>
Loss for the year	<u>(6,889)</u>	<u>-</u>	<u>-</u>	<u>(6,889)</u>	<u>(5,679)</u>
Add back depreciation on assets acquired with capital grants	<u>6,889</u>	<u>-</u>	<u>-</u>	<u>6,889</u>	<u>6,890</u>
Increase (Decrease) in retained earnings	-	-	-	-	1,211
Retained earnings (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,211)</u>
Retained earnings (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Los Angeles County Metropolitan Transportation Authority
Internal Service Fund
Combining Statement of Cash Flows
For the years ended June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>LACMTA</u>	<u>PTSC</u>	<u>PRMA</u>	<u>1999</u>	<u>1998</u>
Cash flow from operating activities:					
Operating loss	\$ (5,787)	\$ -	\$ -	\$ (5,787)	\$ (10,681)
Adjustment to reconcile operating loss to net cash used in operating activities:					
Depreciation	6,889	-	-	6,889	6,890
Net effect of changes in:					
Intergovernmental receivable	(2,754)	5,486	-	2,732	(25,079)
Leases and other receivables	536	(265)	-	271	(34)
Interfund receivable	28,554	-	-	28,554	68,723
Prepaid and other assets	3,398	-	-	3,398	2,407
Accounts payables	(4,192)	(398)	2,754	(1,836)	25,902
Accrued liabilities	(12,159)	126	-	(12,033)	(2,897)
Claims and judgements payable	(97,465)	(65)	-	(97,530)	(27,531)
Compensated absences payable	(33,246)	(2,254)	-	(35,500)	(3,767)
Post retirement benefits payable	(55,258)	-	-	(55,258)	7,256
Net cash used in operating activities	<u>(171,484)</u>	<u>2,630</u>	<u>2,754</u>	<u>(166,100)</u>	<u>41,189</u>
Cash flow from non-capital financing activities:					
Operating transfers in from other funds	-	-	-	-	9,472
Operating transfers out from other funds	(7,246)	-	-	(7,246)	-
Net cash provided by non-capital financing activities	<u>(7,246)</u>	<u>-</u>	<u>-</u>	<u>(7,246)</u>	<u>9,472</u>
Cash flow from capital and related financing activities:					
Payment of matured bonds and notes payable	(7,400)	-	-	(7,400)	(6,900)
Interest paid on bonds and notes payable	(4,595)	-	-	(4,595)	(9,383)
Net cash used in capital and related financing activities	<u>(11,995)</u>	<u>-</u>	<u>-</u>	<u>(11,995)</u>	<u>(16,283)</u>
Cash flow from investing activities:					
Proceeds from sales and maturity of investments	53,944	-	-	53,944	20,346
Purchase of investments	-	-	-	-	(19,519)
Interest received on investments	5,760	-	-	5,760	3,083
Net cash provided by investing activities	<u>59,704</u>	<u>-</u>	<u>-</u>	<u>59,704</u>	<u>3,910</u>
Net increase (decrease) in cash and cash equivalents	(131,021)	2,630	2,754	(125,637)	38,288
Cash and cash equivalents - beginning of year	<u>171,047</u>	<u>895</u>	<u>-</u>	<u>171,942</u>	<u>133,654</u>
Cash and cash equivalents - end of year	<u>\$ 40,026</u>	<u>\$ 3,525</u>	<u>\$ 2,754</u>	<u>\$ 46,305</u>	<u>\$ 171,942</u>
Supplemental schedule of noncash investing, capital and financing transactions:					
Transfer of bonds and notes payable to Enterprise Fund	<u>\$ 133,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,100</u>	<u>\$ -</u>

Trust and Agency Funds

Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Pension Trust Funds - Pension trust funds account for the assets of the four Defined Benefit Pension Plans that the MTA administers, and are accounted for in essentially the same manner as the Proprietary Funds.

Agency Funds - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus.

Los Angeles County Metropolitan Transportation Authority
Trust and Agency Funds
Combining Balance Sheet
June 30, 1999
(Amounts expressed in thousands)

Exhibit G-1

	Pension Trust				Agency	
	United Transportation Union Retirement Trust	Transportation Communication Union Retirement Trust	Amalgamated Transportation Union Retirement Trust	Non-Contract Employee's Retirement Trust	Benefit Assessment District	Total
Assets						
Receivables:						
Interest	\$ 1,287	\$ 225	\$ 720	\$ 767	\$ 195	\$ 3,194
Benefit assessment	-	-	-	-	624	624
Leases and other	343	34	139	779	-	1,295
Total Current Assets	1,630	259	859	1,546	819	5,113
Restricted:						
Cash and cash equivalents	5,018	877	2,804	3,038	-	11,737
Investments	301,515	52,669	168,507	182,484	10,037	715,212
Total assets	\$ 308,163	\$ 53,805	\$ 172,170	\$ 187,068	\$ 10,856	\$ 732,062
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ 8,908	\$ 79	\$ 3,143	\$ 935	\$ 928	\$ 13,993
Accrued liabilities	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	2,953	2,953
Bonds and notes payable - current	-	-	-	-	6,975	6,975
Liabilities for retirement income plan	22,679	3,962	12,674	13,726	-	53,041
Total liabilities	31,587	4,041	15,817	14,661	10,856	\$ 76,962
Fund Balances:						
Reserved for employee retirements	276,576	49,764	156,353	172,407	-	655,100
Total fund balances	276,576	49,764	156,353	172,407	-	655,100
Total liabilities and fund balances	\$ 308,163	\$ 53,805	\$ 172,170	\$ 187,068	\$ 10,856	\$ 732,062

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

Los Angeles County Metropolitan Transportation Authority
 Combining Statement of Changes in Plan Net Assets
 For the year ended June 30, 1999 and 1998
 (Amount expressed in thousands)

Pension Trust Fund						
	United Transportation Union Plan	Transportation Communication Union Plan	Amalgamated Transportation Union Plan	Non-Contract Employee's Retirement Plan	1999	1998
Additions						
Contributions						
Employer	4,131	545	3,135	238	8,049	11,387
Member	9,969	1,003	3,527	(145)	14,354	11,788
Total Contributions	14,100	1,548	6,662	93	22,403	23,175
Investment Income						
From Investing Activities						
Net Appreciation in Fair Value of Investments	31,770	5,245	17,332	17,943	72,290	78,431
Investment Income	7,355	1,166	3,925	3,979	16,425	19,720
Total Investing Activity Income	39,125	6,411	21,257	21,922	88,715	98,151
Net Investing Activity Income Due to other governments	(1,637)	(257)	(870)	(879)	(3,643)	(2,726)
Total Net Investment Income	37,488	6,154	20,387	21,043	85,072	95,425
Miscellaneous						
Total Additions	51,588	7,702	27,049	21,136	107,475	118,600
Deductions						
Retiree Benefits	(88,732)	(6,327)	(34,506)	(13,264)	(142,829)	(98,530)
Administrative Expense	(409)	(144)	(235)	(253)	(1,041)	(750)
Total Deductions	(89,141)	(6,471)	(34,741)	(13,517)	(143,870)	(99,280)
Net Increase (Decrease)	(37,554)	1,232	(7,693)	7,619	(36,396)	19,321
Net Assets Held in Trust for Pension Benefits Beginning of Year	314,130	48,532	164,046	164,788	691,496	672,175
End of Year	\$ 276,576	\$ 49,764	\$ 156,353	\$ 172,407	\$ 655,100	\$ 691,496

Los Angeles County Metropolitan Transportation Authority
 Agency Fund
 Statement of Changes in Assets and Liabilities
 For the year ended June 30, 1999
 (Amounts expressed in thousands)

Exhibit G-3

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Benefit Assessment Districts - Agency Fund				
Assets				
Assessment receivable	\$ 605	\$ 14,707	\$ 14,688	\$ 624
Interest receivable	271	195	271	195
Restricted assets:				
Cash and investment with fiscal agents	<u>3,921</u>	<u>25,274</u>	<u>19,158</u>	<u>10,037</u>
Total Assets	<u><u>\$ 4,797</u></u>	<u><u>\$ 40,176</u></u>	<u><u>\$ 34,117</u></u>	<u><u>\$ 10,856</u></u>
Liabilities				
Accounts payable	\$ 514	\$ 414	\$ -	\$ 928
Accrued interest payable	2,973	2,952	2,972	2,953
Accrued bond principal payable	<u>1,310</u>	<u>6,975</u>	<u>1,310</u>	<u>6,975</u>
Total liabilities	<u><u>\$ 4,797</u></u>	<u><u>\$ 10,341</u></u>	<u><u>\$ 4,282</u></u>	<u><u>\$ 10,856</u></u>

General Fixed Assets Account Group

This group is established to account for all fixed assets of the MTA, other than those accounted for in the Proprietary Funds.

Los Angeles County Metropolitan Transportation Authority
Comparative Schedules of General Fixed Assets-By Source
June 30, 1999 and 1998
(Amounts expressed in thousands)

	<u>1999</u>	<u>1998</u>
General Fixed Assets:		
Contributed Capital - SCRRA	\$ 149,983	\$ 142,297
Land	785,963	903,417
Construction in Progress:		
Call Boxes	7,750	7,750
Other Equipment	26,396	25,745
Leasehold Improvements	1,746	1,746
Metro Rail MOS-2	5,205	1,473,285
Metro Rail MOS-3 (North Hollywood)	1,030,124	834,867
Metro Rail MOS-3 (East Side)	114,481	113,620
Metro Rail MOS-3 (Mid-City)	13,354	13,637
Metro Rail MOS-3 (Eastern Ext.)	859	849
Pasadena Line	211,901	210,528
L.A. Car	127,753	120,724
Systemwide	83,421	77,825
Rail Development	22,461	22,461
Other Operations Capital Projects	65,519	205,964
Other Construction in Progress	<u>137,860</u>	<u>158,293</u>
Total General Fixed Assets	\$ <u>2,784,776</u>	\$ <u>4,313,008</u>
Investments in General Fixed Assets by Source:		
General Fund	\$ 7,755	\$ 7,755
Capital Projects Funds	<u>2,777,021</u>	<u>4,305,253</u>
Total Investment in General Fixed Assets	\$ <u>2,784,776</u>	\$ <u>4,313,008</u>

Los Angeles County Metropolitan Transportation Authority
Schedule of General Fixed Assets - By Activity and Function
June 30, 1999 and 1998
(Amounts expressed in thousands)

Activity and Function	<u>Administration</u>	<u>Transportation Facilities</u>	<u>Construction in Progress</u>	<u>Total</u>
Equity in JPA/SCRRA				
Contributed Capital - SCRRA	\$ -	\$ 149,983	\$ -	\$ 149,983
Land	-	785,963	-	785,963
Construction in Progress:				
Call boxes	-	7,750	-	7,750
Other Equipment	11,462	14,934	-	26,396
Leasehold Improvements	1,746	-	-	1,746
Metro Rail MOS 2	-	-	5,205	5,205
Metro Rail MOS 3 (North Hollywood)	-	-	1,030,124	1,030,124
Metro Rail MOS 3 (East Side)	-	-	114,481	114,481
Metro Rail MOS 3 (Mid-City)	-	-	13,354	13,354
Metro Rail MOS 3 (Eastern Ext.)	-	-	859	859
Pasadena line	-	-	211,901	211,901
L.A. Car	-	-	127,753	127,753
Systemwide	-	-	83,421	83,421
Rail Development	-	-	22,461	22,461
Other Operations Capital Projects	-	-	65,519	65,519
Other Construction in Progress	-	-	137,860	137,860
Total General Fixed Assets	\$ 13,208	\$ 958,630	\$ 1,812,938	\$ 2,784,776

Los Angeles County Metropolitan Transportation Authority
Schedule of Changes in General Fixed Assets--by Function and Activity
For the fiscal year ended June 30, 1999
(Amounts expressed in thousands)

<u>Function and Activity</u>	<u>Assets June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Assets June 30, 1999</u>
Equity in JPA/SCRRA				
Contributed Capital - SCRRA	\$ 142,297	\$ 7,686	\$	\$ 149,983
Land	903,417	267	(117,721)	785,963
Construction in Progress:				
Call boxes	7,750			7,750
Other Equipment	25,745	651		26,396
Leasehold Improvements	1,746			1,746
Metro Rail MOS 2	1,473,284	107,600	(1,575,679)	5,205
Metro Rail MOS 3 (North Hollywood)	834,867	195,257	-	1,030,124
Metro Rail MOS 3 (East Side)	113,620	861		114,481
Metro Rail MOS 3 (Mid-City)	13,637	-	(283)	13,354
Metro Rail MOS 3 (Eastern Ext.)	849	10		859
Pasadena line	210,528	1,373		211,901
L.A. Car	120,724	7,029		127,753
Systemwide	77,826	5,595		83,421
Rail Development	22,461			22,461
Other Operations Capital Projects	205,964	11,465	(151,910)	65,519
Other Construction in Progress	158,293	22,347	(42,780)	137,860
Total General Fixed Assets	\$ 4,313,008	\$ 360,141	\$ (1,888,373)	\$ 2,784,776

Statistical

Statistical Section

Los Angeles County Metropolitan Transportation Authority
 General Governmental Expenditures By Function (1)
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

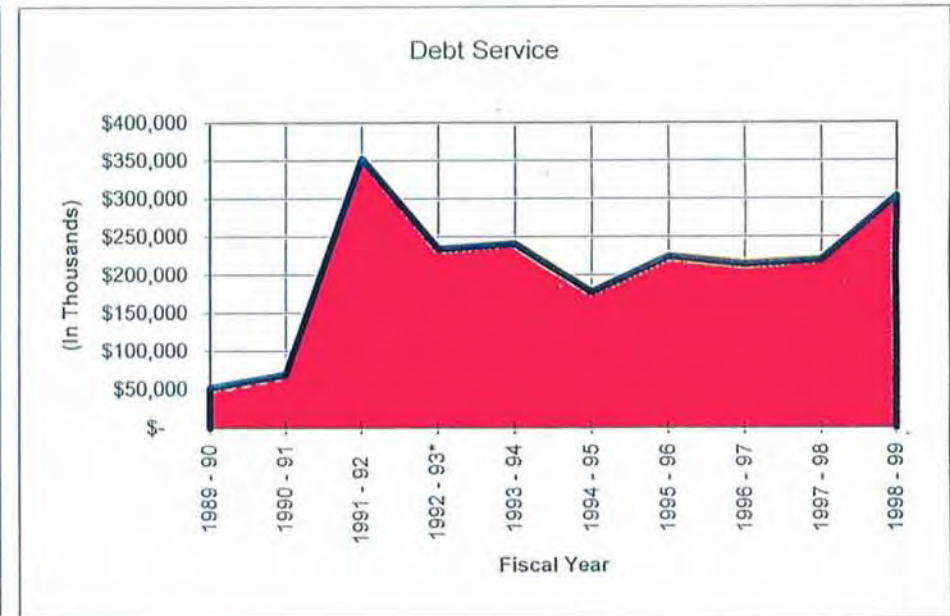
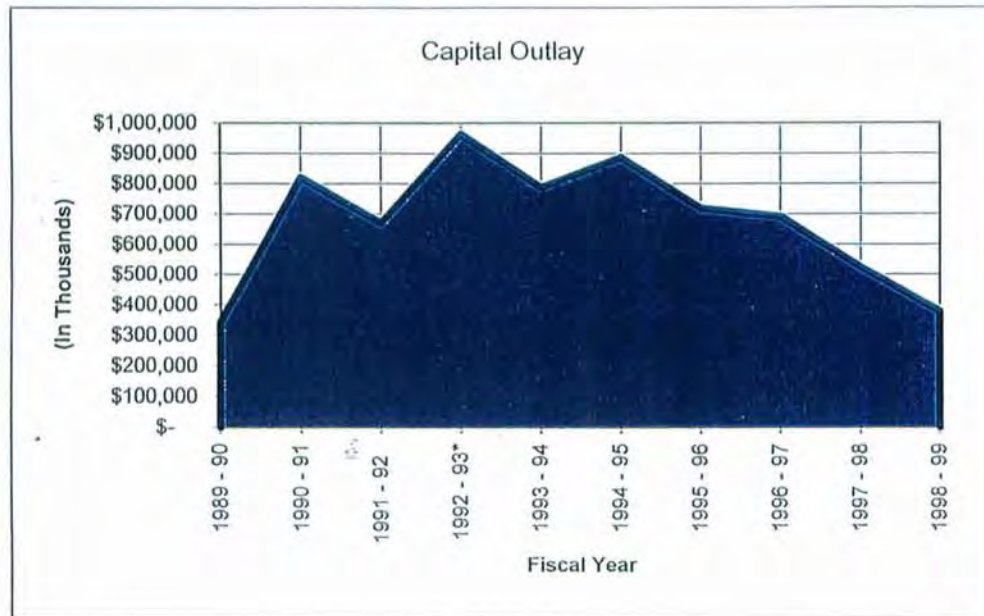
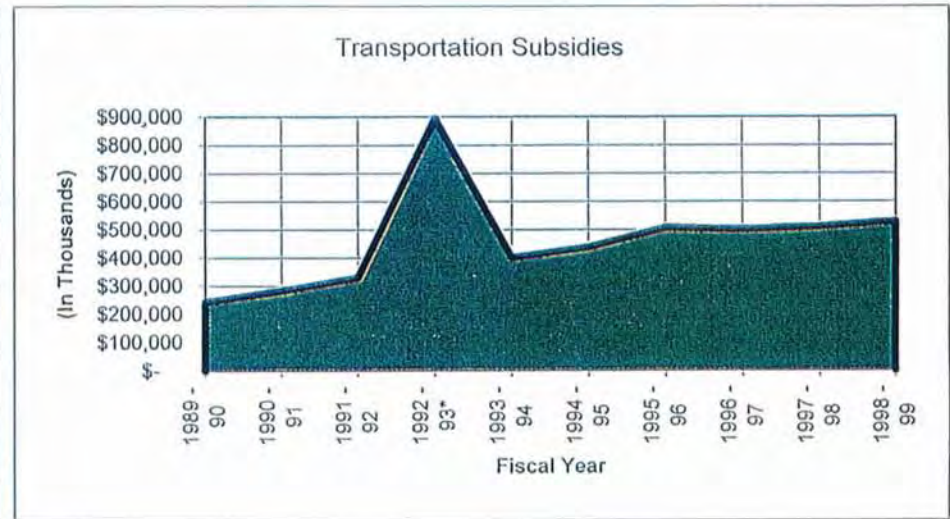
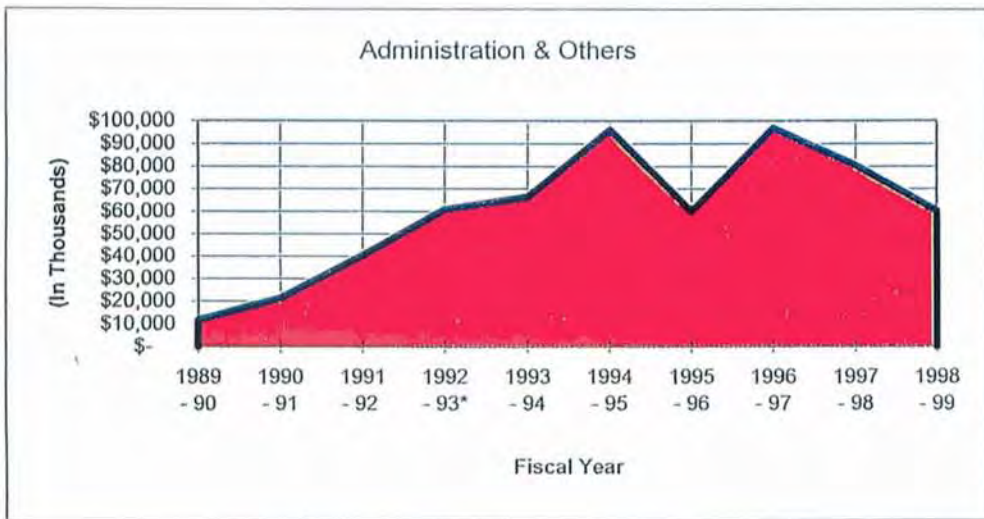
Table 1

Fiscal Year	Administration & Others	Transportation Subsidies	Capital Outlay	Debt Service	Total
1989 - 90	\$ 11,679	\$ 243,278	\$ 342,416	\$ 50,907	\$ 648,280
1990 - 91	21,370	281,574	820,000	68,852	1,191,796
1991 - 92	40,391	328,870	669,076	352,308 (2)	1,390,645
1992 - 93*	60,795	894,086 (3)	963,313	233,517	2,151,711
1993 - 94	66,277	399,037	787,105	240,413	1,492,832
1994 - 95	95,991	436,500	886,345	176,916	1,595,752
1995 - 96	59,945	506,500	717,865	223,892	1,508,202
1996 - 97	96,669	500,681	689,866	213,677	1,500,893
1997 - 98	80,216	509,698	523,872	219,350	1,333,136
1998 - 99	60,029	529,851	377,965	302,283	1,270,128
TOTAL	\$ 593,362	\$ 4,630,075	\$ 6,777,823	\$ 2,082,115	\$ 14,083,375

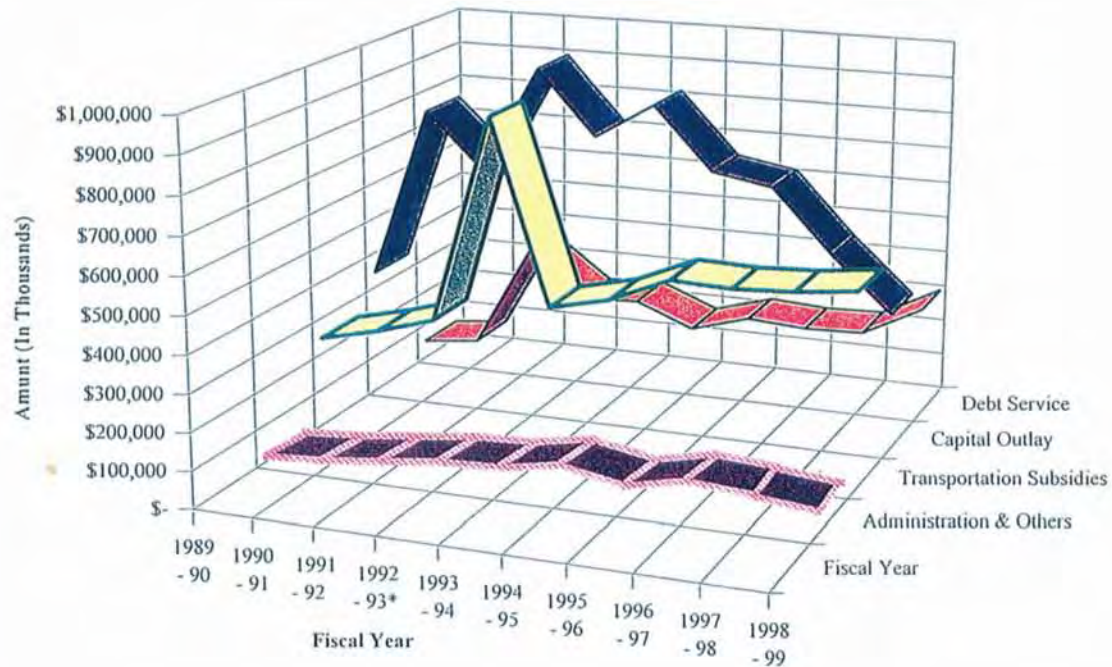
Source: Comprehensive Annual Financial Report

Notes:

- (1) Include all governmental fund types.
- (2) Includes Retirement of Commercial Paper Debt & Bond Issuance Cost.
- (3) Prop C funds that were held up in the Superior Court were approved for transit expenditures.
- * Merger between LACTC & SCRTRD



Graphical Presentation B of Table 1



• Fiscal Year Administration & Others Transportation Subsidies Capital Outlay Debt Service



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Los Angeles County Metropolitan Transportation Authority
 General Governmental Revenues By Source (1)
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

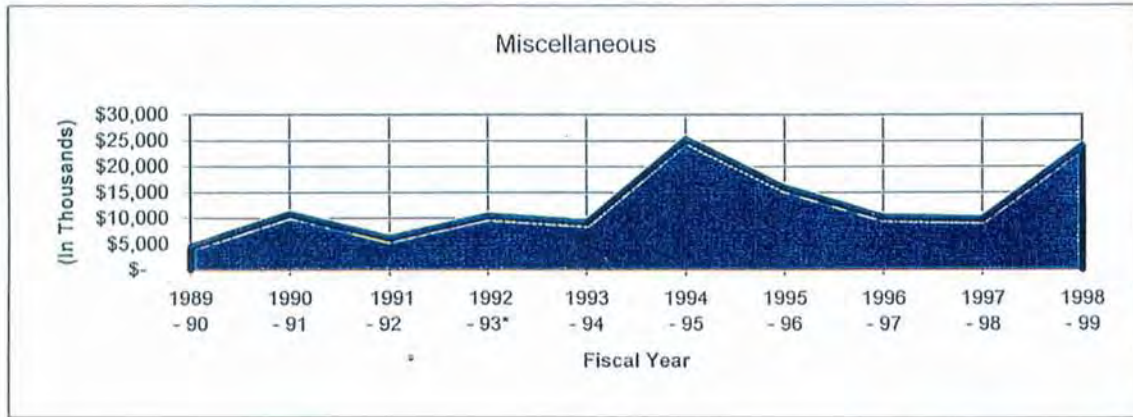
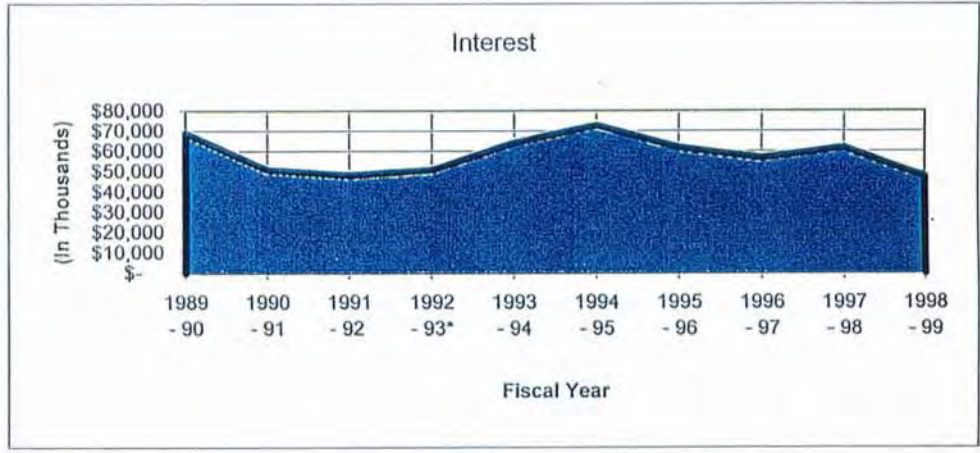
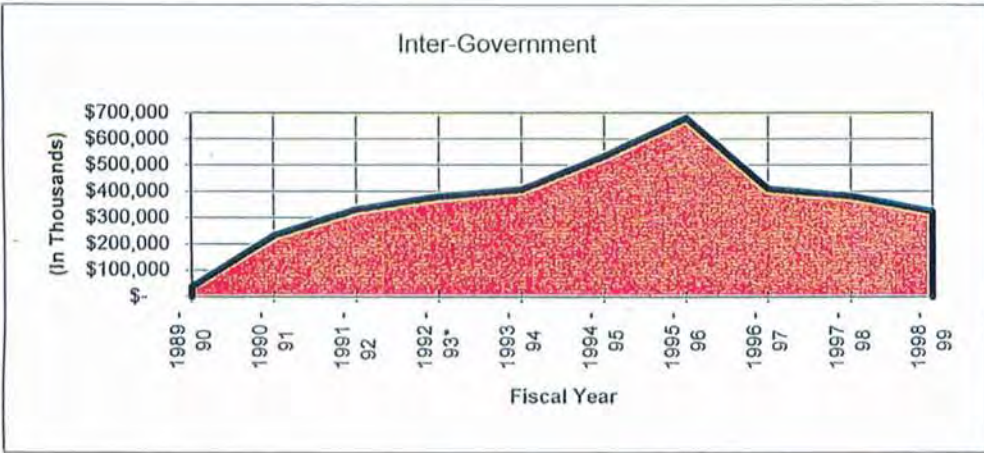
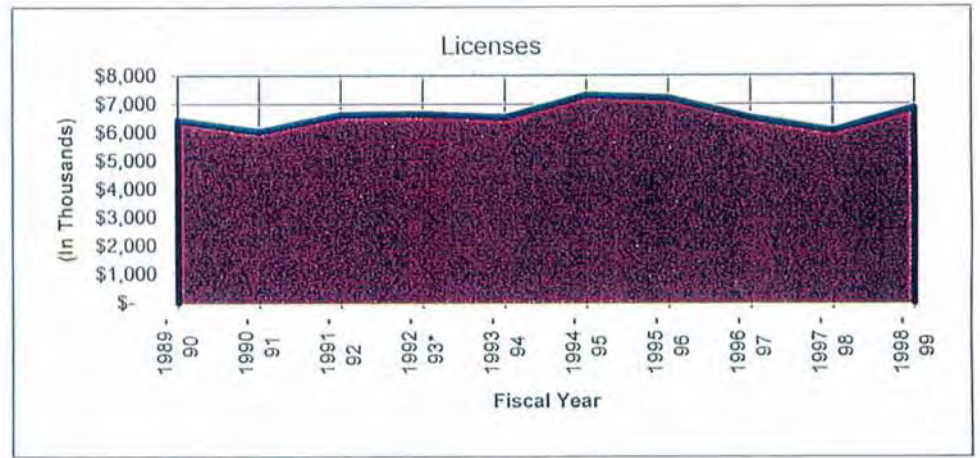
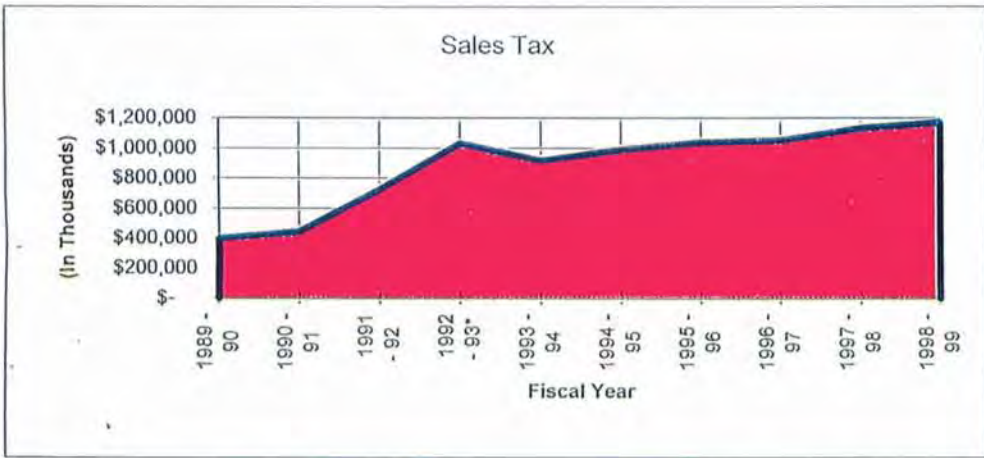
Table 2

Fiscal Year	Sales Tax	Licenses	Inter-Gov't	Interest	Misc.	Total
1989 - 90	\$398,600	\$6,422	\$35,457	\$68,767	\$4,478 (3)	\$513,724
1990 - 91	442,932	6,023	231,693 (8)	50,639	10,766 (4)	742,053
1991 - 92	720,348 (5)	6,611	330,958	48,019	6,049	1,111,985
1992 - 93*	1,029,547 (7)	6,634	379,231	50,749	10,405 (6)	1,476,566
1993 - 94	916,398	6,520	406,676	63,983	9,064 (6)	1,402,641
1994 - 95	989,066	7,295	533,188	72,790	25,206 (9)	1,627,545
1995 - 96	1,037,892	7,192	679,630	61,550	15,759 (6)	1,802,023
1996 - 97	1,050,496	6,496	408,537	56,520	10,107	1,532,156
1997 - 98	1,131,676	6,047	381,089	61,640	9,739	1,590,191
1998 - 99	1,167,642	6,844	322,984	47,181	23,913	1,568,564
TOTAL	\$ 8,884,597	\$ 66,084	\$ 3,709,443	\$ 581,838	\$ 125,486	\$ 13,367,448

Source: Comprehensive Annual Financial Report

- Notes: (1) Include all governmental fund types
 (2) Includes \$718,000 in charges for construction services.
 (3) Includes \$2,897,000 in charges for construction services.
 (4) Includes \$3,268,000 in charges for construction services, \$4,958,000 utilities refund, \$2644,000 fire loss insurance indemnification's.
 (5) Includes voter-approved one-half cent sales tax Proposition C for the full year.
 (6) Includes Lease rentals.
 (7) MTA took over as the administrator of TDA Sales Tax Revenue which had a fund balance of 90 million.
 (8) Includes Federal revenue for the Metro Rail Construction project.
 (9) Includes insurance refunds.
 * Merger between LACTC & SCRTO

Graphical Presentation of Table 2



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

Table 3

Fiscal Year	(1) Unemployment Percentage Rate	(2) Population County Of Los Angeles	(2) Population State of California	(2) Population United States	(3) Taxable Sales County Of Los Angeles
1989 - 90	5.2	8,770	29,473	249,605	\$77,706,166
1990 - 91	7.1	8,989	30,351	250,878	80,285,389
1991 - 92	9.8	9,087	30,989	253,668	75,417,049
1992 - 93*	9.6	9,200	31,188	256,316	74,655,812
1993 - 94	9.8	9,245	31,517	258,951	73,000,967
1994 - 95	9.4	9,312	31,790	264,500	76,898,666
1995 - 96	7.9	9,352	32,063	267,500	79,068,152
1996 - 97	7.6	9,468	32,609	267,567	82,620,919
1997 - 98	6.8	9,603	33,252	267,636	86,397,850
1998 - 99	5.8	9,758	33,773	274,028	90,205,600

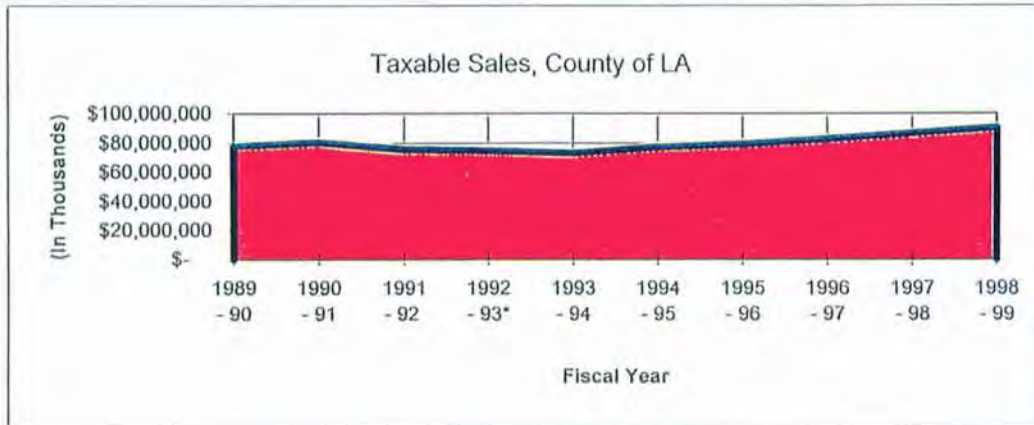
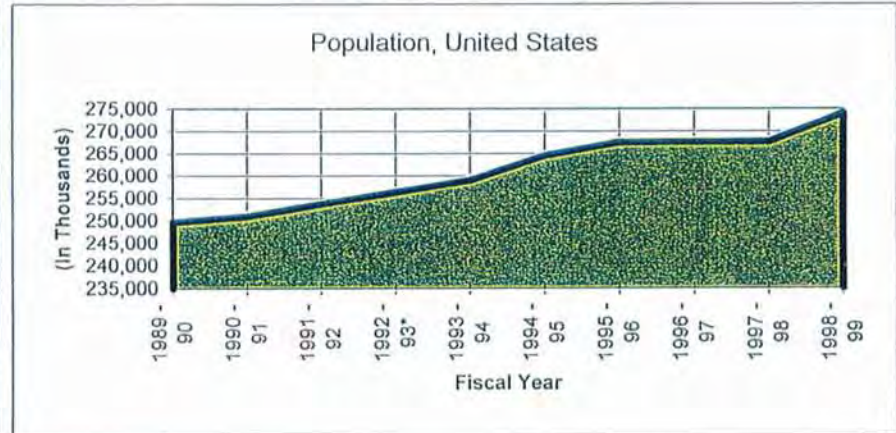
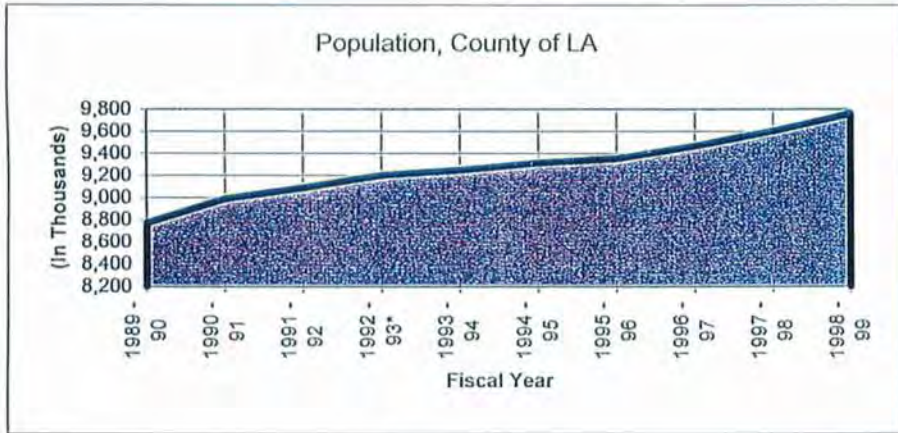
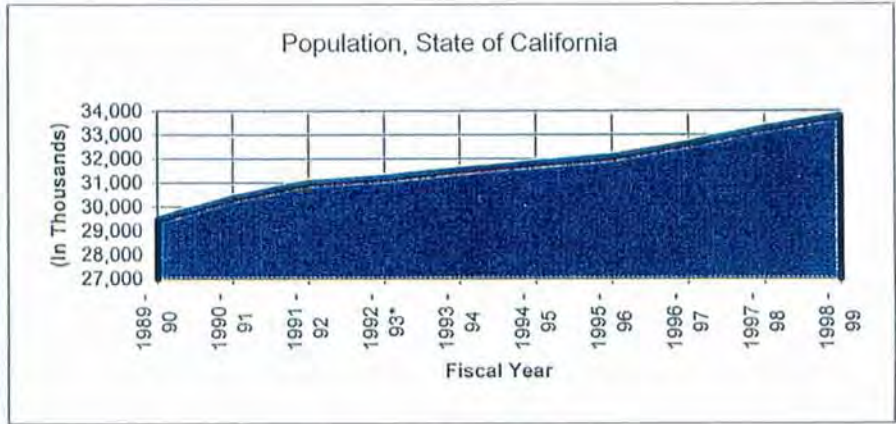
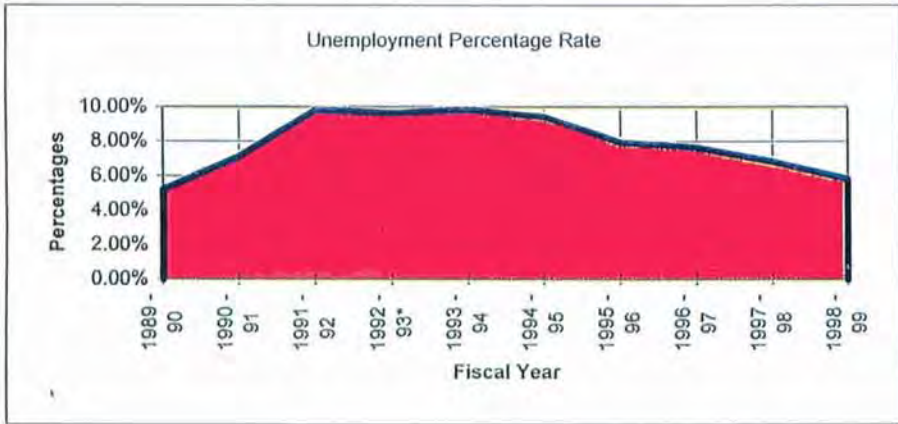
Sources: (1) State Department of Employment Development for the County of Los Angeles

(2) California Department of Finance

(3) State Board of Equalization

* Merger between LACTC & SCR TD

Graphical Presentation of Table 3



Los Angeles County Metropolitan Transportation Authority
 Historical Debt Service Coverage Ratios - Prop A
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 4

Fiscal Year	Net Prop A Sales Tax Revenue (1)	Less 25% Local Allocation (2)	Prop A Bonds Amount Available For Debt Service On Sales Tax Bonds	Prop A Bonds Aggregate Debt Service	Debt Service Coverage Ratio (2)
1989 -90	\$398,600	\$99,650	\$298,950	\$50,879	5.88%
1990 - 91	400,400	100,100	300,300	50,879	5.90%
1991 - 92	367,707	91,927	275,780	65,893	4.19%
1992 - 93*	371,452	92,863	278,589	80,750	3.45%
1993 - 94	360,023	90,006	270,017	81,128	3.33%
1994 - 95	384,139	96,035	288,104	96,810	2.98%
1995 - 96	402,981	100,745	302,236	104,096	2.90%
1996 - 97	411,529	102,882	308,647	116,197	2.66%
1997 - 98	438,321	109,580	328,741	115,270	2.85%
1998 - 99	449,054	112,264	336,791	118,443	2.84%

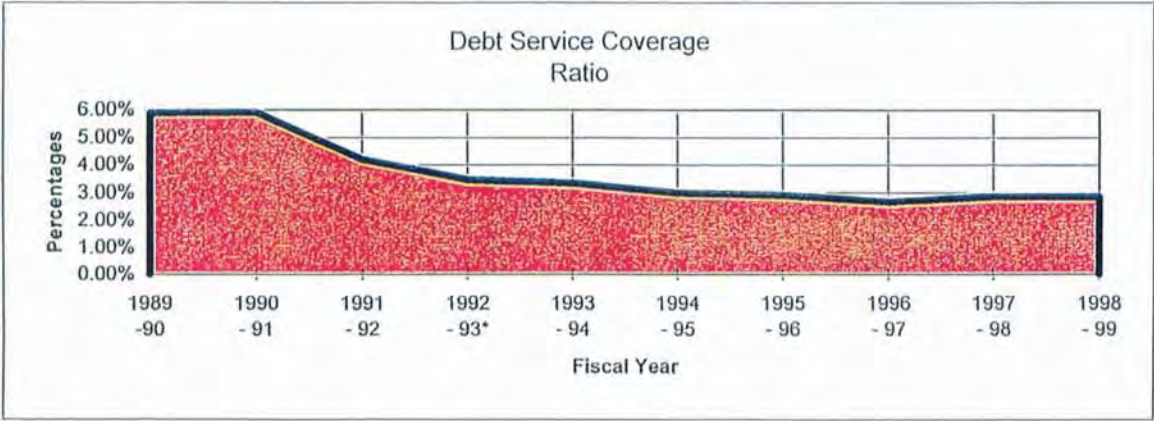
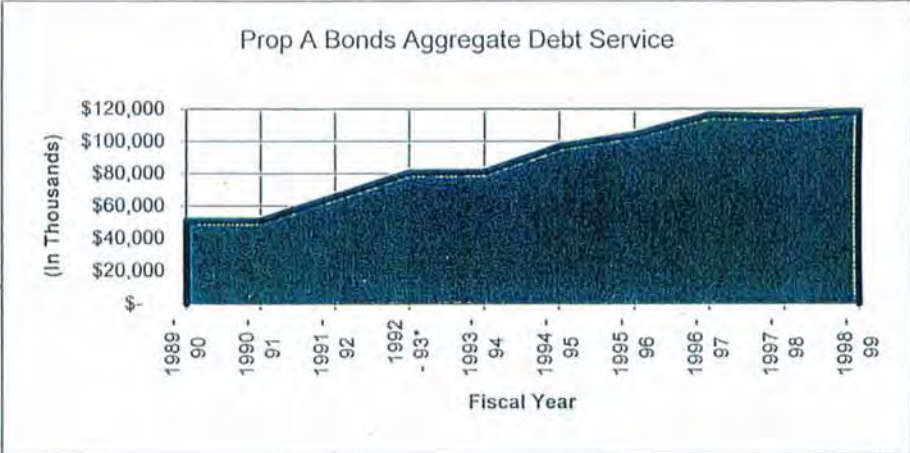
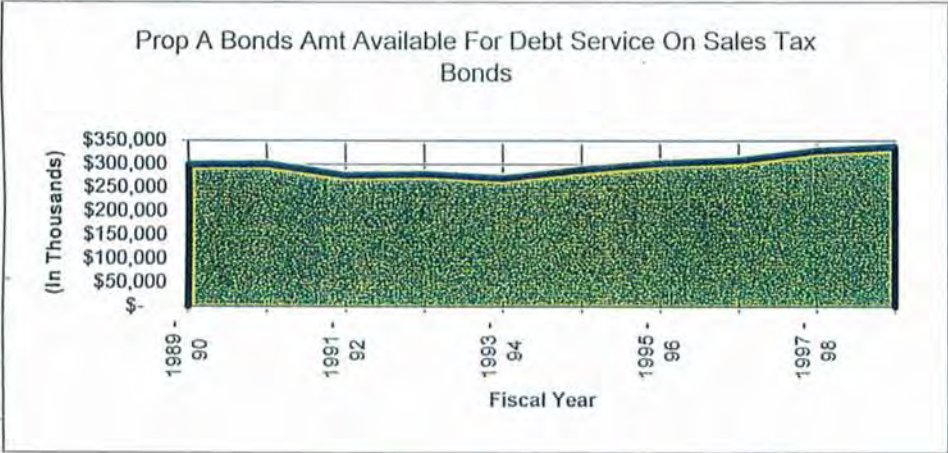
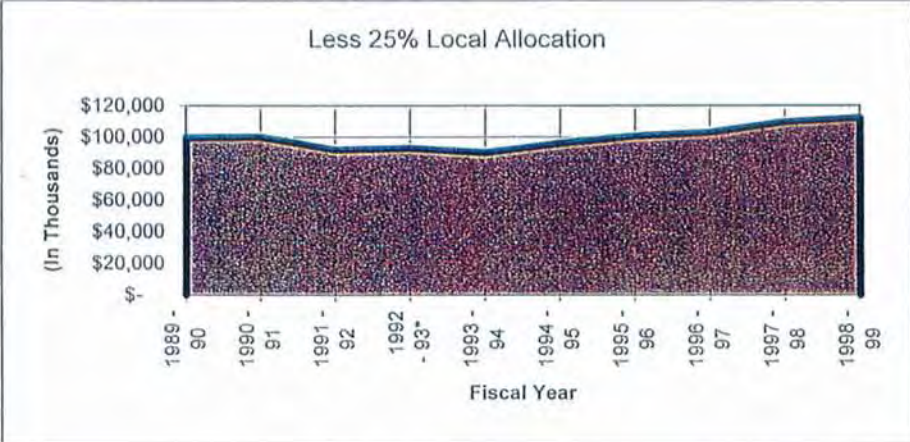
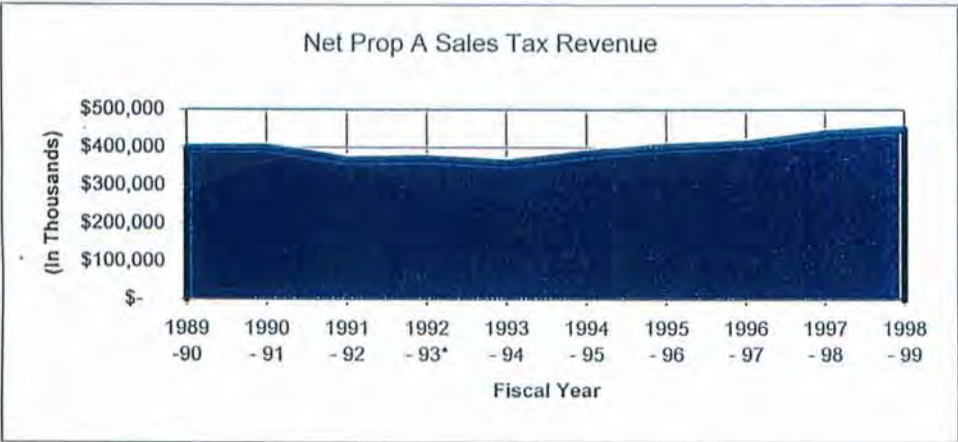
Source: Comprehensive Annual Financial Report

(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.

* Merger between LACTC & SCRTRD

Graphical Presentation of Table 4



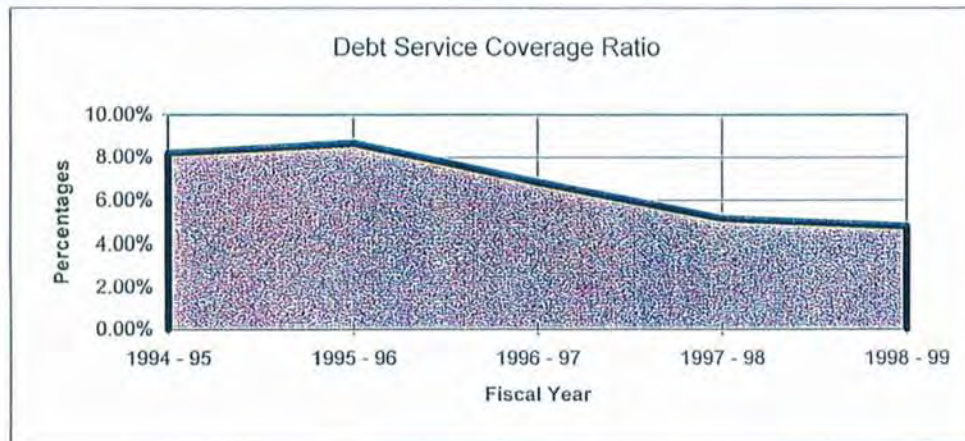
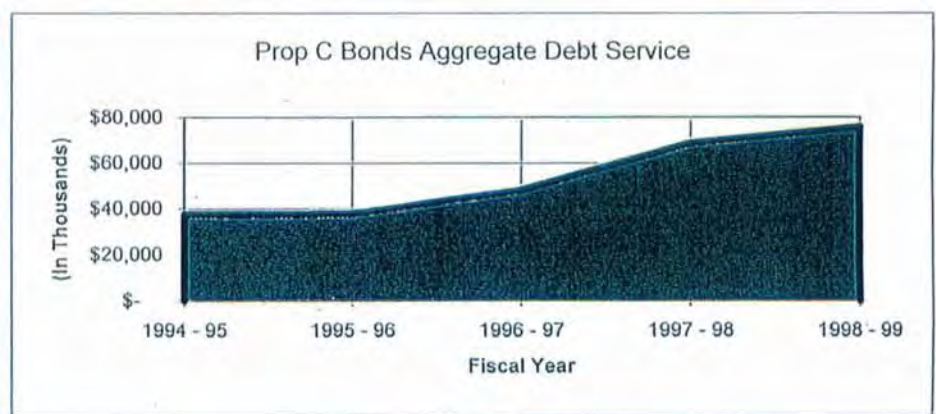
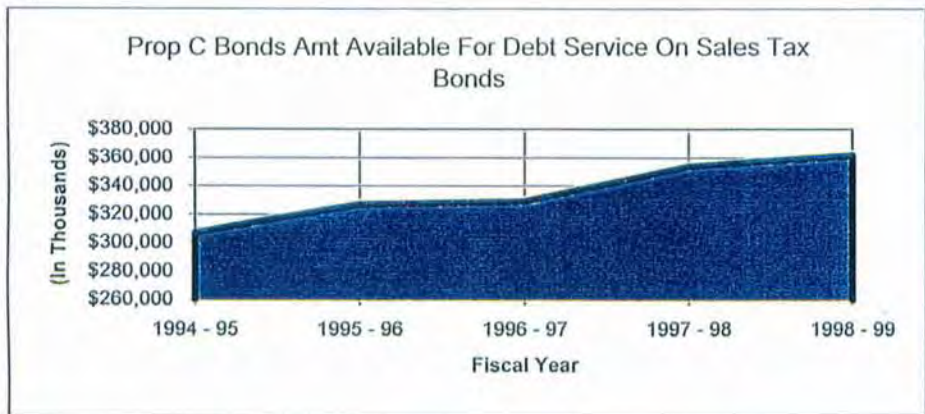
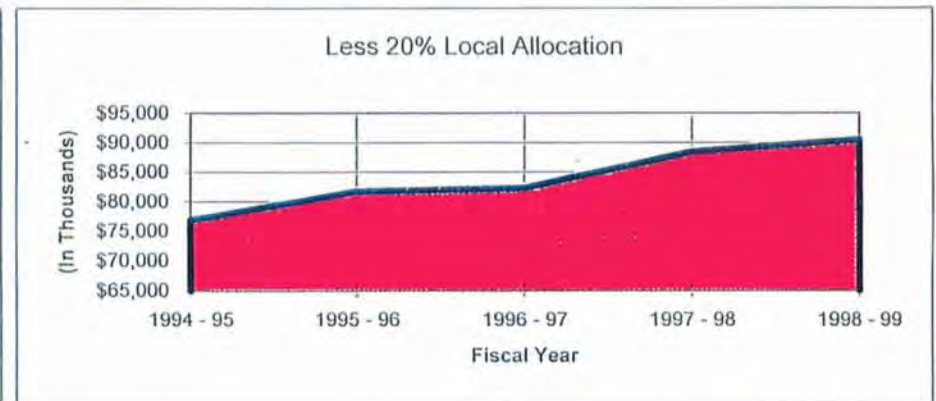
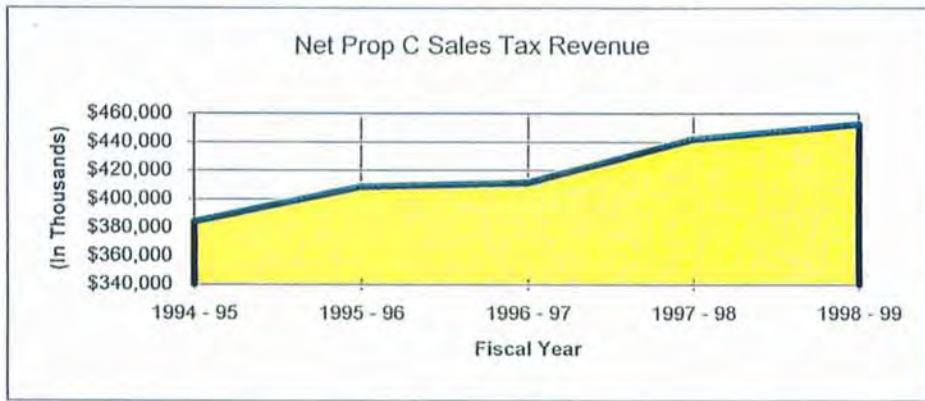
Los Angeles County Metropolitan Transportation Authority
 Historical Debt Service Coverage Ratios - Prop C
 Last Five Fiscal Years
 (Amounts expressed in thousands)

Table 5

Fiscal Year	Net Prop C Sales Tax Revenue	Less 20% Local Allocation	Prop C Bonds Amount Available For Debt Service On Sales Tax Bonds	Prop C Bonds Aggregate Debt Service	Debt Service Coverage Ratio
1994 - 95	\$384,029	\$76,806	\$307,223	\$37,521	8.19%
1995 - 96	408,491	81,698	326,793	37,716	8.66%
1996 - 97	411,224	82,245	328,979	48,202	6.83%
1997 - 98	441,929	88,386	353,543	68,828	5.13%
1998 - 99	452,232	90,446	361,786	75,935	4.76%

Source: Comprehensive Annual Financial Report

Graphical Presentation of Table 5



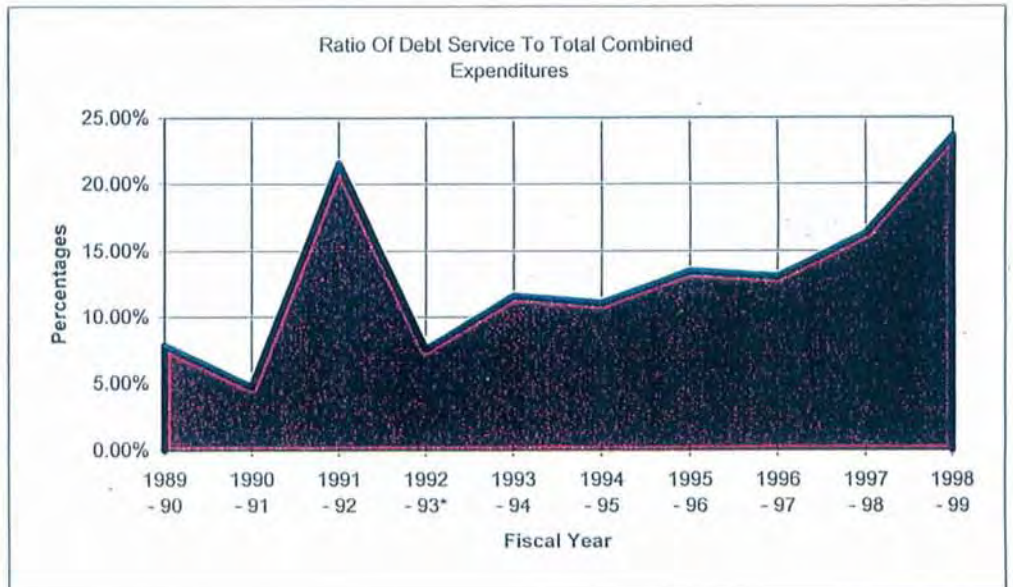
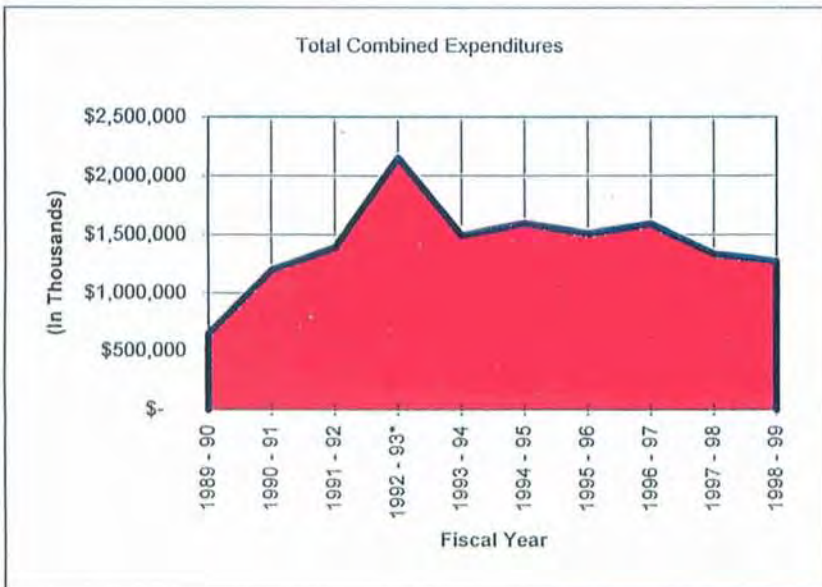
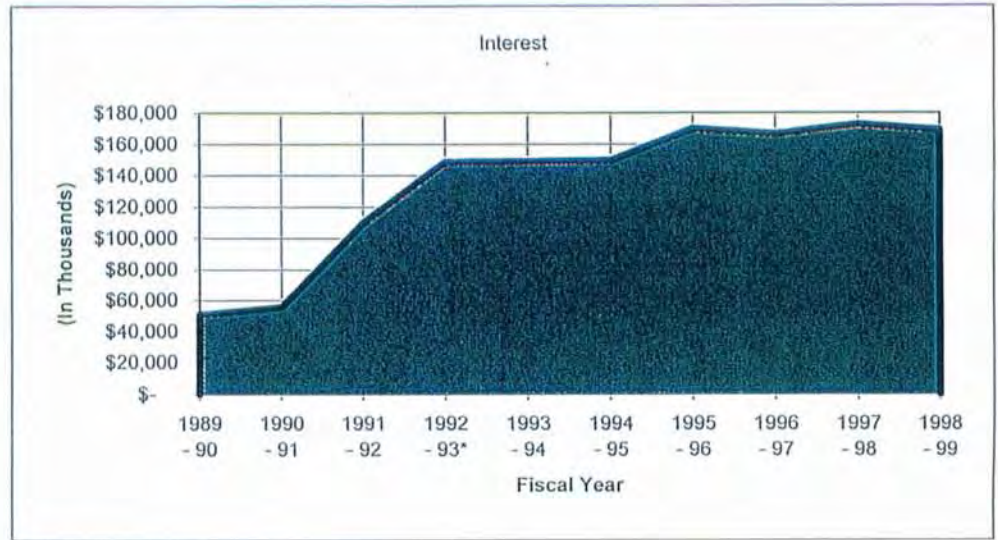
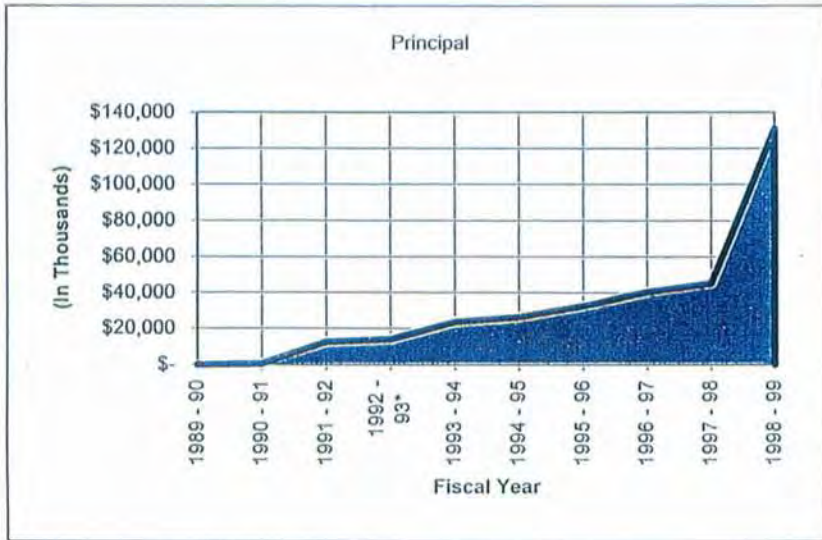
Los Angeles County Metropolitan Transportation Authority
 Ratio of Annual Debt Service Expenditures for General Bonded
 Debt to Total General Expenditures
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 6

FISCAL YEAR	1989 - 90	1990 - 91	1991 - 92	1992 - 93*	1993 - 94	1994 - 95	1995 - 96	1996 - 97	1997-98	1998 - 99
Principal	\$ -	\$ 586	\$ 12,592	\$ 14,019	\$ 23,639	\$ 26,345	\$ 32,498	\$ 40,200	\$ 45,025	\$ 130,757
Interest	50,907	55,780	110,090	148,576	148,975	149,630	169,876	166,552	172,579	169,011
Commercial Paper Retirement	-	-	177,000	-	-	-	-	-	-	-
Total Debt Service Expenditures	\$ 50,907	\$ 56,366	\$ 299,682	\$ 162,595	\$ 172,614	\$ 175,975	\$ 202,374	\$ 206,752	\$ 217,604	\$ 299,768
Total Combined Expenditures	\$ 648,280	\$ 1,191,796	\$ 1,390,645	\$ 2,151,711	\$ 1,492,832	\$ 1,595,752	\$ 1,508,202	\$ 1,588,259	\$ 1,333,136	\$ 1,270,128
Ratio of Debt Service to Total Combined Expenditures (%)	7.85%	4.73%	21.55%	7.56%	11.56%	11.03%	13.42%	13.02%	16.32%	23.60%

Source : Comprehensive Annual Financial Report
 *Merger between LACTC & SCR TD

Graphical Presentation of Table 6



Los Angeles County Metropolitan Transportation Authority
 Operating Revenues By Source (Bus & Rail)
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 7

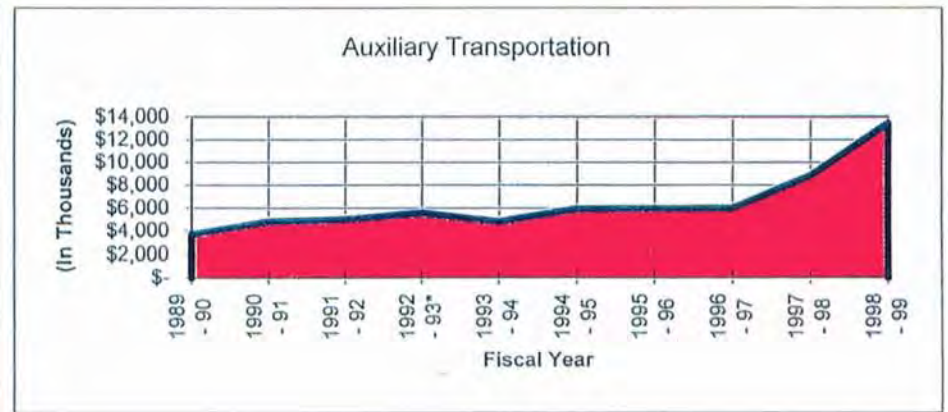
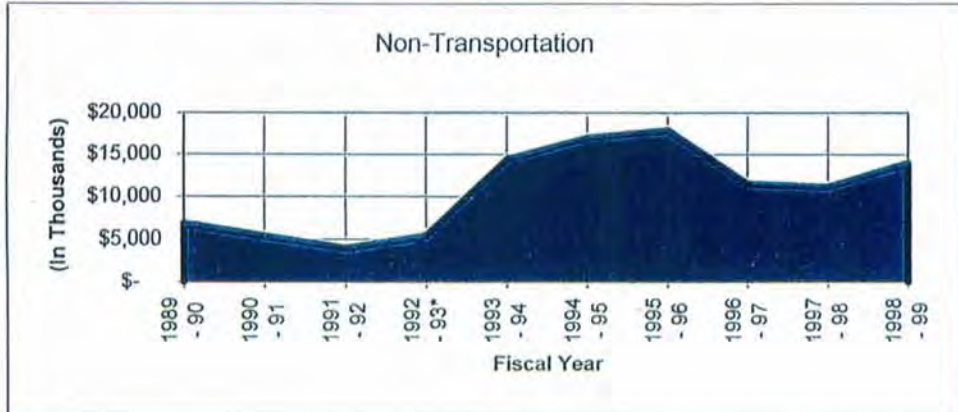
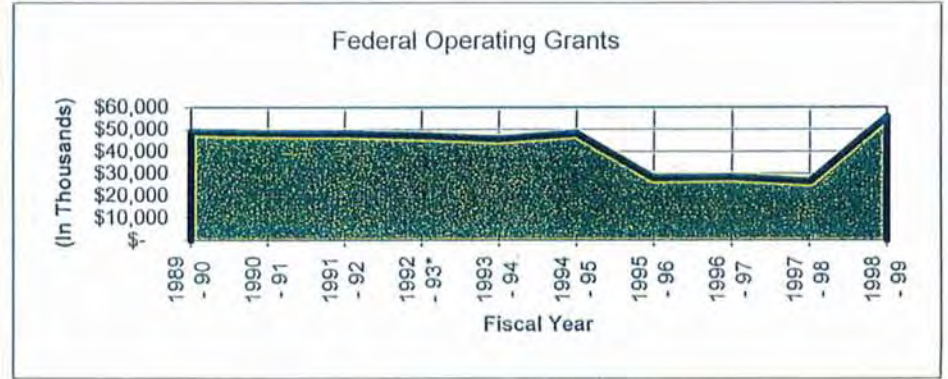
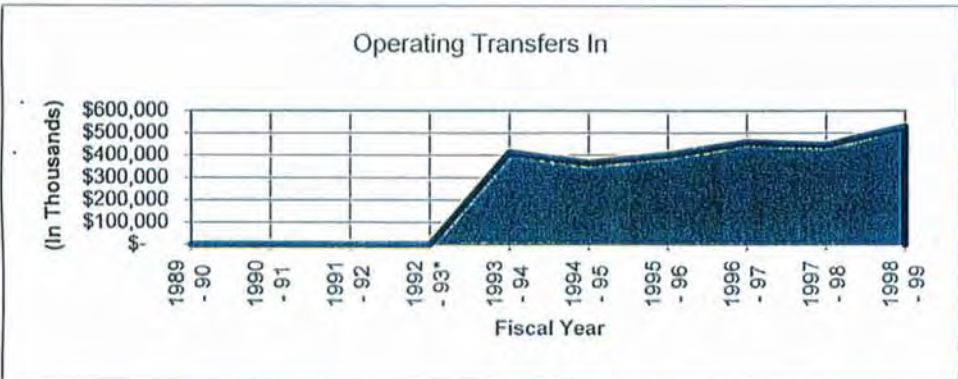
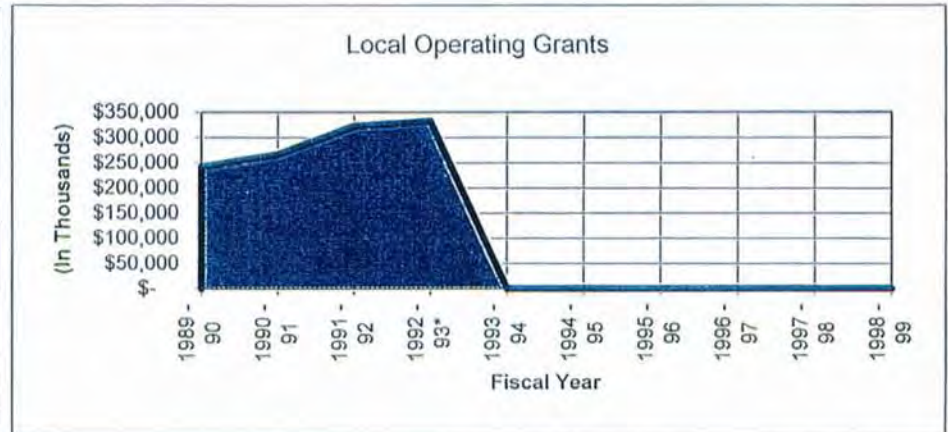
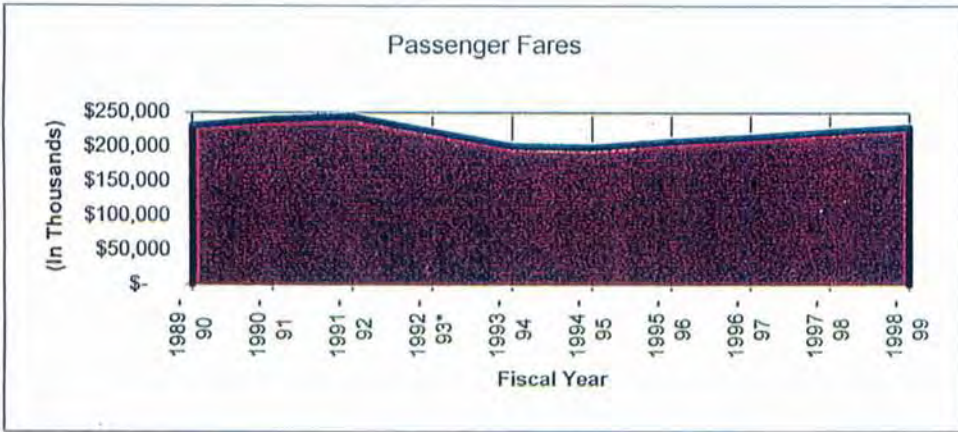
Fiscal Year	Passenger Fares	Local Operating Grants	Operating Transfers In (1)	Federal Operating Grants	State Operating Grants	Non-Transportation	Auxiliary Transportation	Total
1989 - 90	\$230,859	\$242,268	-	\$48,870	\$694	\$6,775	\$3,651	\$533,117
1990 - 91	239,905	266,821	-	48,300	-	5,331	4,780	565,137
1991 - 92	243,422	322,865	-	47,905	-	3,970	4,989	623,151
1992 - 93*	222,211	332,478	-	47,064	18,368	5,326	5,542	630,989
1993 - 94	200,923	-	412,119	45,619	-	14,374	4,781	677,816
1994 - 95	199,349	-	364,295	48,020	-	16,964	5,903	634,531
1995 - 96	208,389	-	400,230	27,998	-	17,915	5,927	660,459
1996 - 97	214,519	-	457,868	28,476	-	11,449	5,968	718,280
1997 - 98	222,502	-	445,861	26,372	-	11,094	8,835	714,664
1998 - 99	228,854	-	528,956	55,845	-	13,941	13,422	841,018
TOTAL	\$ 2,210,933	\$ 1,164,432	\$ 2,609,329	\$ 424,469	\$ 19,062	\$ 107,139	\$ 63,798	\$ 6,599,162

Source: Comprehensive Annual Financial Report

* Merger between LACTC & SCRTD

(1) Represents local government revenue.

Graphical Presentation of Table 7



**Los Angeles County Metropolitan Transportation Authority
Operating Expenses By Function (Bus & Rail)**

Table 8

Last Ten Fiscal Years

(Amounts expressed in thousands)

Fiscal Year	Operations	Vehicle Maintenance	General & Administrative (1)	Non-Vehicle Maintenance	Depreciation	Total
1989 - 90	\$273,454	\$119,063	\$128,131	\$12,412	\$44,486	\$577,546
1990 - 91	291,745	135,817	124,460	13,115	48,111	613,248
1991 - 92	311,579	148,851	145,724	17,027	52,628	675,809
1992 - 93*	354,997	148,815	128,169	18,209	37,781	687,971
1993 - 94	292,986	109,362	82,149	30,555	83,405	598,457
1994 - 95	349,593	123,325	109,457	35,530	113,269	731,174
1995 - 96	353,740	167,947	156,599	33,859	152,645	864,790
1996 - 97	400,982	132,206	146,457	35,415	159,100	874,160
1997 - 98	433,560	113,368	140,332	27,352	158,027	872,639
1998 - 99	475,280	187,645	125,274	27,065	159,210	974,474
TOTAL	\$ 3,537,916	\$ 1,386,399	\$ 1,286,752	\$ 250,539	\$ 1,008,662	\$ 7,470,268

Source: Comprehensive Annual Financial Report

* Merger between LACTC & SCRTRD

(1) Includes interest expense, a non-operating cost.

