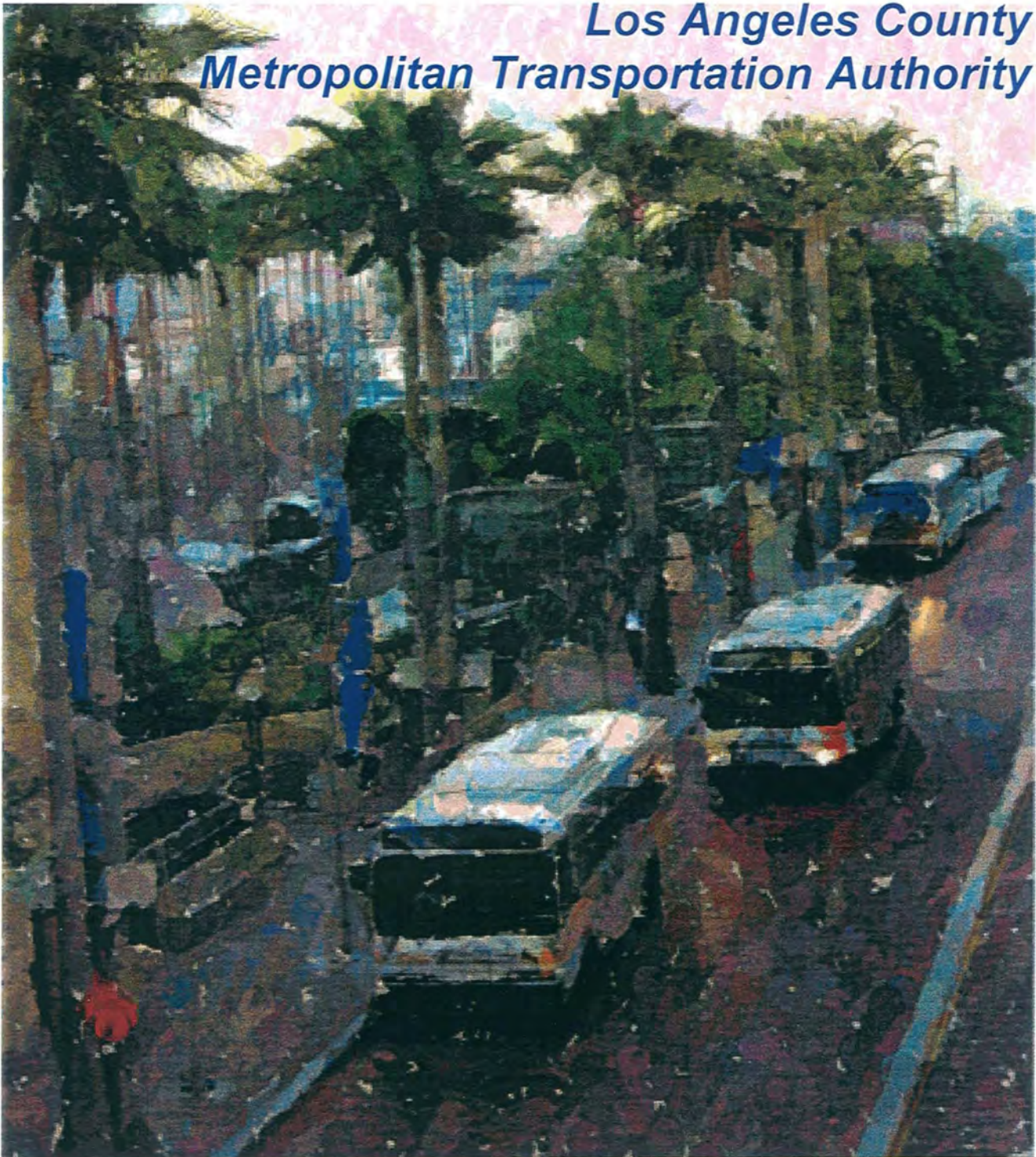




# Comprehensive Annual Financial Report

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*Los Angeles County  
Metropolitan Transportation Authority*



For the Fiscal Year Ended June 30, 2000

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**Los Angeles County  
Metropolitan Transportation Authority**  
Los Angeles, California

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Fiscal Year Ended June 30, 2000**

Prepared by:  
**Accounting Department**

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*Controller*

**Terry Matsumoto**  
*Executive Officer, Finance & Treasurer*

**Richard Brumbaugh**  
*Chief Financial Officer*

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**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2000**

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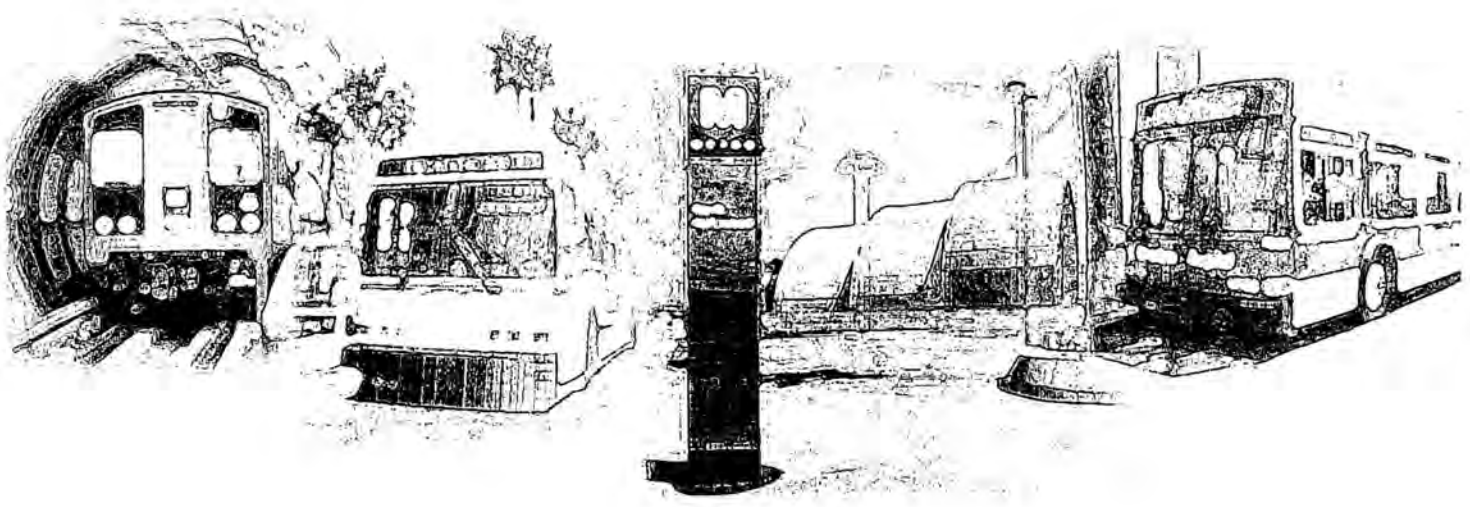
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# Introductory







November 17, 2000

Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

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

Dear Honorable Board Members:

Subject: MTA Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report for the Los Angeles County Metropolitan Transportation Authority (MTA) for the fiscal year ended June 30, 2000 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:

- The Introductory Section includes this Letter of Transmittal from the Chief Financial Officer, the MTA's Organization Chart, a list of principal officials, and a reproduction of the MTA's Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 1999;
- The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules and the independent accountant's report on the general purpose financial statements;
- The Statistical Section includes selected financial and demographic data depicting historical trends and other significant information.

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 *Audits of States, Local Governments and Non-Profit*

*Organizations.* Information related to the Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are set forth in a separate Single Audit report.

## **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 and 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) rapid bus line development and construction of fixed guideways for buses and multi passenger vehicles; (4) bus and rail transit services; including funding administration for all LA County transit service providers; (5) alternative modes of transportation; (6) research and development of alternative energy sources for transit vehicles; and (7) air quality, environmental impact, land use and economic development decisions.

The MTA is the nation's second largest provider of public transit. The MTA's bus system provides service to 1.2 million bus passenger boardings daily with over 86.5 million vehicle service miles. The entire fleet is wheelchair accessible and over 50% is now powered by compressed natural gas (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 64,000 weekday passengers.
- Metro Red Line - a 17-mile heavy rail subway system running through downtown Los Angeles from the Gateway Transit Center/Union Station to North Hollywood. The western branch extends along Wilshire Boulevard to Western Avenue. This heavy rail line serves approximately 121,000 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 27,000 weekday passengers.
- In June 2000, the MTA also launched the Metro Rapid Bus demonstration program in two corridors. These high speed, new technology buses will demonstrate new ways to manage and provide faster service.

The MTA works with the 16 municipal bus operators in the County to maximize use of the transit dollar and to provide service coordination.

The MTA also funds various commuter and motorist assistance programs. One such program is the Freeway Service Patrol that provides motorists free assistance through a fleet of 145 tow trucks that patrol LA County freeways to alleviate congestion by assisting stalled vehicles.

The Service Authority for Freeway Emergencies (SAFE) operates the Kenneth Hahn Call Box program operating and servicing 4,500 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. The MTA is developing a network of 280 miles of High Occupancy Vehicle (HOV) lanes for carpools, buses and vanpools. Currently there are 150 miles of HOV lanes either in use or under construction. Another 25 - 50 miles are slated to come on line within the next 5 years.

The MTA provides County wide leadership in the implementation of Intelligent Transportation Systems (ITS), advanced signal and traffic monitoring systems with a current investment of \$100 million dollars. These programs maximize the efficient use of street capacity and providing information to adjust signals to maximize vehicle speeds.

The MTA provides countywide coordinated services for persons with disabilities through Access Services Incorporated (ASI). 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.

The Gateway Transit Center, at historic Union Station, 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 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, the Service authority for Freeway Emergencies (SAFE), and the LACMTA Leasing Authority are included as blended component units in the general purpose financial statements.

## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

The following major initiatives and accomplishments were reported by the core units of the MTA for fiscal year 1999-2000:

## Operations

The MTA's Metro Bus system serves an estimated 1.2 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 500 new low floor buses will be delivered over the next 12 months. These buses are part of the 2,095 new buses the MTA will receive in the next four years. Since December 1994 the MTA has put more than 1,000 additional new CNG (clean fuel) buses into service. This is the largest clean fuel fleet in the United States. New buses are arriving weekly and better service reliability is being achieved. Significant improvements are also being made as a result of reduced breakdowns that formerly resulted in service disruptions. In April 2000, the MTA recorded 5,629 mean miles between mechanical breakdowns compared with 5,219 miles in April 1999. In-service on time performance and overall fleet cleanliness have improved with a concomitant drop in customer complaints indicating that service is steadily getting better. On-time pullouts, a measure of service reliability, have met the 99.5% goal since March 2000.

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 (BSIP) with several proposed projects/programs. The BSIP is designed to improve service to the transit dependent and expand mobility options throughout the county. The key elements include the development of a detailed market research and public outreach program, redistributing service to minimize duplication, 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. For example, the MTA expanded service to late night community venues in the central business district as well as increased service on the Harbor Transitway on the I-110 freeway. Finally, the MTA has started new pilot services on six bus lines within the service area to provide more options and make new service connection in all sectors of the county.

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 as well as monitoring performance.
- **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. This project is part of an overall transportation management system that will include key technology upgrades for communications and passenger information services as well as upgrade maintenance and troubleshooting capabilities.
- 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. In recognition of that program, all new MTA buses, by Board policy, will be low floor to speed access as well as make it easier for persons with disabilities to board and alight buses.
- Design and develop a more efficient, dependable, cost-saving power plant for buses.

### **Engineering and Construction**

The MTA completed the final extension of the Metro Red Line subway into North Hollywood in June 2000. The North Hollywood extension is a 6.3-mile segment that has three stations. It continues west from the Hollywood/Vine station under Hollywood Boulevard to Highland and north under the Santa Monica mountains to its terminus in North Hollywood with a station at Universal city, a major theme park and entertainment center. The completed red Line now connects San Fernando Valley to downtown Los Angeles and provides commuters with a safe, reliable and efficient alternative to the Hollywood Freeway, one of the most congested roadways in the country. The Metro Red Line is also a driving force in the revitalization of the Hollywood business district and community.

The Pasadena Metro Blue Line Construction Authority (PMBLCA), an independent agency, will complete the Pasadena Blue Line, a 13-mile light rail line connecting downtown Los Angeles and Pasadena. 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 the line's completion. When completed in 2003, the MTA will assume the rail line assets and all operating responsibilities. PMBLCA has awarded two of its most significant construction contracts and work will be conducted under the policy oversight of the MTA.



## **Countywide Planning and Development**

The transportation planning and programming organizational unit, Regional Transportation Planning and Development, is responsible for the development of effective transportation policies and a long-range plan, planning and programming of federal, state and local revenues for public transit, transportation demand management, bikeways, and highway projects of Los Angeles County and coordination of activities among the County's many transportation agencies. The unit is responsible for the development of the County Transportation Improvement Program. The MTA programs \$500 million in state and federal transportation funds through the Los Angeles County element of the State Transportation Improvement Plan in five modal areas. These projects must meet specific evaluative criteria and prove mobility benefit on a regional level.

### *Street and Highway Initiatives*

The MTA has made commitments to improve street and highway travel. The MTA is improving and managing street and highway traffic including funding the following projects that are underway:

- **Highway Operations Group:** Continuing to provide congestion relief through the removal of disabled vehicles from freeways.
- **Connected Car Pool Lanes:** Designed to encourage ridesharing by allowing commuters to travel from freeway to freeway without leaving the car pool lane.
- **HOV (Carpool) 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 for rail and bus.
- **Bikeways:** Seeking ways to expand and improve the bikeway system throughout Los Angeles 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.

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). The millions of motorists who travel along the Santa Monica Corridor 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 last updated 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, eliminating duplicate bus routes and reallocating buses for other needed service. Creating a Rapid Bus network for convenient, fast moving and mobile transit.
- 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.
- Develop a plan that includes sub-regional councils of governments (COG's) objectives for local are transportation needs.
- Improving highway transit speeds and service by constructing additional miles of HOV (carpool) lanes and gap closures on freeways and major streets.
- Participating as a financial partner in the Alameda Corridor and Alameda Corridor East Projects 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 an 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 currently in the process of a major update and scheduled to be adopted by the MTA Board in fiscal year 2001.

## **ECONOMIC CONDITIONS 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 a UCLA survey, California's economy is expected to continue to expand in the coming years at a rate not seen in more than a decade. The survey predicts non-farm employment will rise 3.8% this year (up from 3.1% in 1999) and 2.6% in 2001 statewide. In Los Angeles County, employment grew by 2.2% for the first eight months of 2000. The survey predicts that these strong economic conditions will continue to fuel consumer spending. The calendar year 1999 increase of 9.9% in statewide taxable sales will be followed by gains of 10.9% in 2000, 5.6% in 2001, and 5.3% in 2002. Proposition A and C sales tax revenues, the MTA's largest funding sources, are shown below (in thousands).

<u>Fiscal Year</u>	<u>Combined Prop A &amp; C</u>
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
1999-00	1,010,302

## **FINANCIAL INFORMATION**

### ***Internal Control***

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.

***Budgeting Controls***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental 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. Encumbrances at year end are reappropriated as part of the following year's budget.

***Summary of Resources***

The following tabulation, in thousands, summarizes the MTA revenues and other financing sources (all governmental fund types), other than operating transfers and proceeds from financing, for the years ended June 30, 2000 and 1999.

Resources	Fiscal Year	% of	Fiscal Year	Increase (Decrease)	
	2000	Total	1999	Amount	%
Sales Tax	\$ 1,290,122	74%	\$ 1,167,642	\$ 122,480	10%
Intergovernmental	353,966	20	322,122	31,844	10
Licenses	7,690	1	7,777	(87)	(1)
Investment Income	48,824	3	46,760	2,064	4
Lease & Other	38,945	2	24,268	14,677	60
<b>Total</b>	<b>\$ 1,739,547</b>	<b>100%</b>	<b>\$ 1,568,569</b>	<b>\$ 170,978</b>	<b>11%</b>

The increase in sales tax revenue is due to the upturn in the Los Angeles County economy. Sales tax revenue includes Proposition A, Proposition C, Transportation Development Act and State Transit Assistance funds.

Intergovernmental revenue increased due to additional federal grants for the North Hollywood Metro Rail and bus acquisitions. Included in Lease and Other revenues are the net proceeds of a lease/leaseback to service transaction amounting to \$16 million.

### ***Summary of Expenditures***

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

Expenditures	Fiscal Year	% of	Fiscal Year	Increase (Decrease)	
	2000	Total	1999	Amount	%
Administration	\$ 111,640	8%	\$ 102,312	\$ 9,328	9%
Transportation Subsidies	576,691	43	491,243	85,448	17
Capital Outlay	401,042	30	374,289	26,753	7
Debt Service/Other	255,913	19	302,283	(46,370)	(15)
Total	<u>\$ 1,345,286</u>	<u>100%</u>	<u>\$ 1,270,127</u>	<u>\$ 75,159</u>	<u>6%</u>

Transportation subsidies increased due to higher sales tax revenues.

Capital outlays increased \$26.8 million over the prior year as a result of expenditures made for the North Hollywood Metro Rail and to procure buses to increase the fleet that MTA operates.

Debt Service and other expenses showed a decrease because of commercial paper retirement in FY 1999.

### ***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 low risk investments.

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

Restricted cash and investments with fiscal agents represent 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 and risk transfer. Exposures for which

insurance is purchased with various retention or deductible levels include workers' compensation and public liability and property damage, employee benefits, specified rail construction risks, building contents (property damage), employee theft and dishonesty, crime, fiduciary and public official liability.

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, project professional liability and environmental liability.

### ***Debt Administration***

At June 30, 2000, the MTA had \$3,722,562,000 of outstanding debt. This debt 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.

During the fiscal year, the MTA issued commercial paper under both its tax-exempt and taxable programs. In order to fund expenditures for capital projects on an interim basis, commercial paper was issued in the amounts of \$175,960,000 under the tax-exempt program and \$40,000,000 under the taxable program.

## **OTHER INFORMATION**

### ***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.

### ***Award***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Los Angeles County Metropolitan Transportation Authority for its comprehensive annual financial reports for the fiscal year ended June 30, 1999. The Certificate of Achievement is the highest form of recognition for excellence in State and Local government financial reporting.

In order to be awarded a Certificate of Achievement, the MTA must publish an easily readable and well organized comprehensive annual financial report whose contents

conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

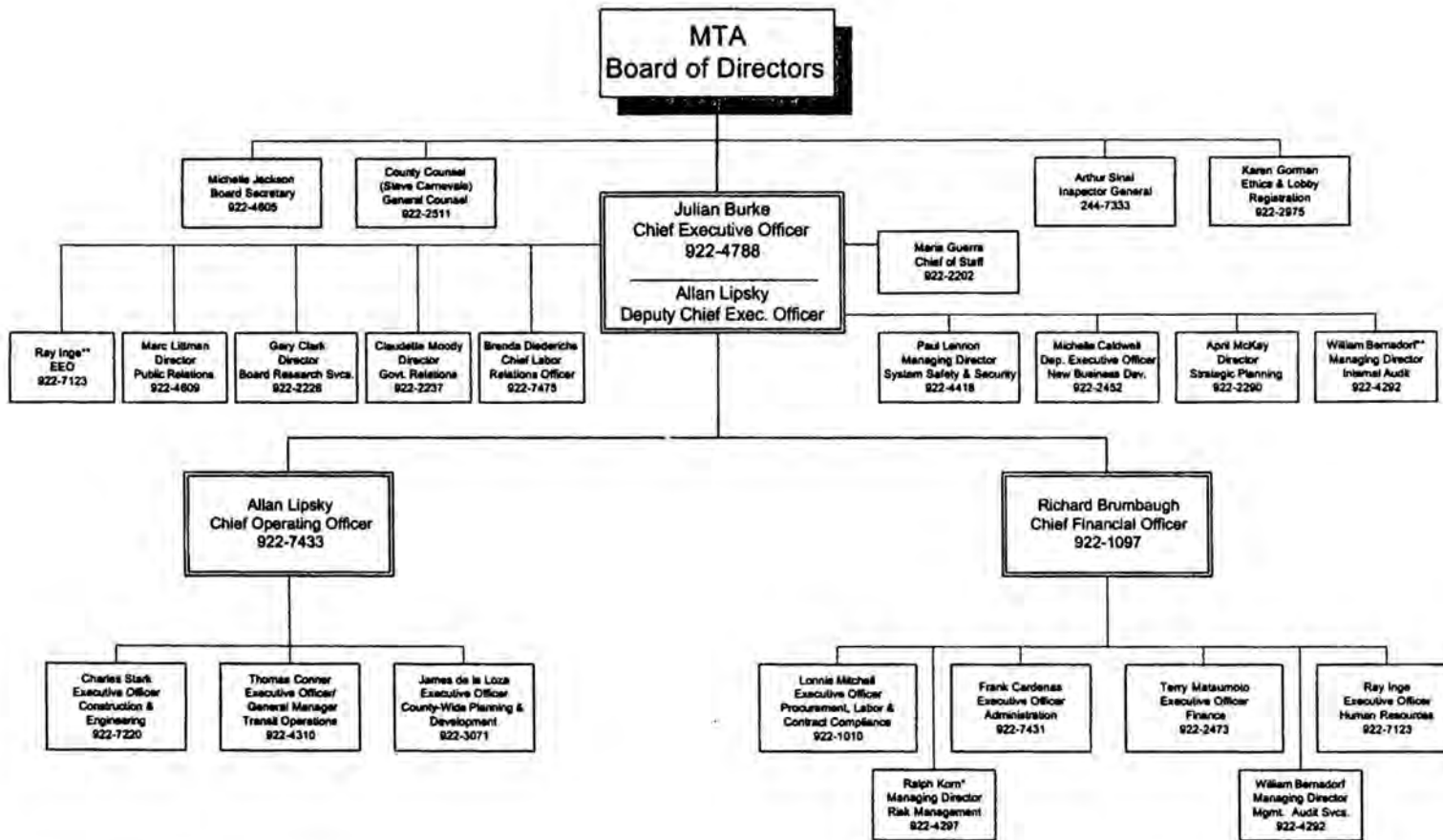
***Acknowledgments***

I wish to thank the entire staff of the Accounting Department and other professionals of the MTA for their dedicated service and assistance that made the timely preparation of this report possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard Brumbaugh". The signature is written in a cursive, flowing style.

Richard Brumbaugh  
Chief Financial Officer



Los Angeles County  
Metropolitan Transportation Authority  
Management Organization Chart  
as of July 1, 2000  
Published by Human Resources Dept  
(213) 922-7181  
MTA Central Telephone (213) 922-2000

Key:  
\* Acting/interim appointment  
\*\* Affirmative Action Officer and Internal Audit  
report directly to the Office of the CEO.



IIIX



# MTA Board of Directors

Yvonne Brathwaite Burke, *Chair*

## County of Los Angeles

Michael Antonovich,	<i>Fifth District</i>
Yvonne Brathwaite Burke, Chair	<i>Second District</i>
Don Knabe	<i>Fourth District</i>
Gloria Molina	<i>First District</i>
Zev Yaroslavsky	<i>Third District</i>

## City of Los Angeles

Richard Riordan, 2nd Vice Chair	<i>Mayor, Los Angeles</i>
Hal Bernson	<i>City Council 12th District</i>
Jaime de la Vega	<i>Mayor's Office</i>
José Legaspi	<i>Private Sector</i>

## Los Angeles County City Selection Committee

James Cragin, 1st Vice Chair	<i>Gardena</i>
John Fasana	<i>Duarte</i>
Jenny Oropeza	<i>Long Beach</i>
Frank C. Roberts	<i>Lancaster</i>

## Ex-Officio Member Appointed by the Governor

Tony V. Harris	<i>Caltrans</i>
----------------	-----------------

## Construction Committee Ex-Officio Members

George Battey, Jr.	<i>Private Sector</i>
Bill Dahl	<i>Private Sector</i>

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County  
Metropolitan Transportation  
Authority, California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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

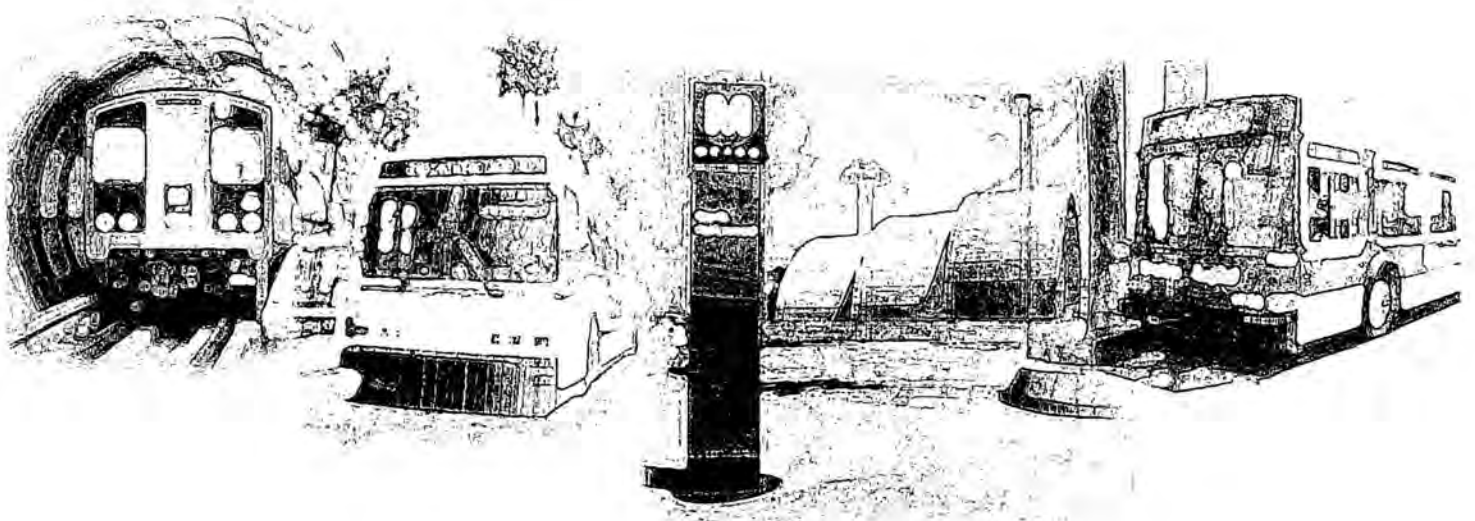


*Anne Spray Kinney*  
President

*Jeffrey L. Essler*  
Executive Director

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# Financial





REPORT OF INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP  
350 South Grand Avenue  
Los Angeles CA 90071-3405  
Telephone 213 356 6000  
Facsimile 213 356 6363

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, 2000 and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America 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 provides a reasonable basis for the opinion expressed above.

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 117 through 134 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 November 16, 2000 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Pricewaterhousecoopers LLP*

November 16, 2000

**General Purpose Financial Statements**



Los Angeles County Metropolitan Transportation Authority  
 Combined Balance Sheet - All Fund Types and Account Groups  
 June 30, 2000  
 (Amounts expressed in thousands)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>ASSETS AND OTHER DEBITS</b>			
<b>ASSETS:</b>			
Cash and cash equivalents (Note 2)	\$ 104,545	\$ 499,879	\$ 5,381
Investments (Note 2)	-	-	-
Receivables (net of allowances for uncollectibles):			
Accounts	3,913	-	-
Intergovernmental	13,260	6,968	-
Sales Tax	-	87,546	-
Interest	733	4,593	81
Leases and other	758	2,026	3,498
Advances to other funds (Note 8)	-	24,677	-
Inventories	-	-	-
Prepaid items and other assets	727	45,336	-
Restricted assets:			
Cash and cash equivalents (Note 2)	-	-	176,278
Investments (Note 2)	-	-	236,783
Fixed assets - net (Note 3)	-	-	-
<b>OTHER DEBITS</b>			
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 123,936</b>	<b>\$ 671,025</b>	<b>\$ 422,021</b>

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

Capital Projects	Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
	Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	
\$ 67,153	\$ 144,054	\$ 41,200	\$ -	\$ -	\$ -	\$ 862,212
13,275	-	-	-	-	-	13,275
25,242	22,383	-	-	-	-	51,538
67,237	13,248	31,004	-	-	-	131,717
-	-	-	-	-	-	87,546
-	515	1,045	2,011	-	-	8,978
9,416	1,115	390	2,827	-	-	20,030
-	2,573	-	-	-	-	27,250
-	56,519	-	-	-	-	56,519
892	5,628	3,754	-	-	-	56,337
34,448	39,211	-	9,536	-	-	259,473
3,443	107,312	-	748,945	-	-	1,096,483
-	5,848,049	134,118	-	1,564,132	-	7,546,299
-	-	*	-	-	277,781	277,781
-	-	-	-	-	3,444,781	3,444,781
<u>\$ 221,106</u>	<u>\$ 6,240,607</u>	<u>\$ 211,511</u>	<u>\$ 763,319</u>	<u>\$ 1,564,132</u>	<u>\$ 3,722,562</u>	<u>\$ 13,940,219</u>

(continued)

Los Angeles County Metropolitan Transportation Authority  
 Combined Balance Sheet - All Fund Types and Account Groups  
 June 30, 2000  
 (Amounts expressed in thousands)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 10,953	\$ 39,732	\$ 846
Accrued liabilities	16	-	-
Claims and judgment payable (Note 10)	-	-	-
Advances from other funds (Note 8)	-	13,221	-
Accrued interest payable	-	-	82,799
Compensated absences payable (Note 7)	-	-	-
Bonds and notes payable - current	-	-	60,595
Due to other governments	-	168	-
Deferred revenues	13,344	-	-
Post-retirement benefits payable (Note 7)	-	-	-
Bonds and notes payable (Note 4)	-	-	-
Other liabilities	294	-	-
<b>TOTAL LIABILITIES</b>	<b>24,607</b>	<b>53,121</b>	<b>144,240</b>
<b>EQUITY AND OTHER CREDITS:</b>			
Investment in general fixed assets	-	-	-
Retained earnings (deficit)	-	-	-
Capital grants (contributed capital):			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Fund balances (Note 12):			
Reserved for memoranda of understanding	1,238	670,057	-
Reserved for encumbrances	23,194	-	-
Reserved for prepaid and other assets	727	45,336	-
Reserved for interfund receivable	-	24,677	-
Reserved for debt service	-	-	277,781
Reserved for employee retirements	-	-	-
Designated for planning & administration	54,076	-	-
Designated for transportation improvements	-	253,759	-
Unreserved, undesignated	20,094	(375,925)	-
<b>TOTAL EQUITY AND OTHER CREDITS</b>	<b>99,329</b>	<b>617,904</b>	<b>277,781</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 123,936</b>	<b>\$ 671,025</b>	<b>\$ 422,021</b>

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

Capital Projects	Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
	Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	
\$ 99,701	\$ 31,209	\$ 48,191	\$ 1,208	\$ -	\$ -	\$ 231,840
-	13,327	11,232	-	-	-	24,575
21,005	147,615	822	-	-	-	169,442
-	14,029	-	-	-	-	27,250
-	5,594	-	2,836	-	-	91,229
-	30,070	16,804	-	-	-	46,874
-	18,165	-	7,430	-	-	86,190
-	-	-	71,798	-	-	71,966
39,785	10,216	-	-	-	-	63,345
-	72,090	-	-	-	-	72,090
-	156,455	-	-	-	3,722,562	3,879,017
159	-	344	-	-	-	797
<u>160,650</u>	<u>498,770</u>	<u>77,393</u>	<u>83,272</u>	<u>-</u>	<u>3,722,562</u>	<u>4,764,615</u>
-	-	-	-	1,564,132	-	1,564,132
-	(75,806)	-	-	-	-	(75,806)
-	2,417,792	-	-	-	-	2,417,792
-	443,020	-	-	-	-	443,020
-	2,956,831	134,118	-	-	-	3,090,949
-	-	-	-	-	-	671,295
384,395	-	-	-	-	-	407,589
891	-	-	-	-	-	46,954
-	-	-	-	-	-	24,677
-	-	-	-	-	-	277,781
-	-	-	680,047	-	-	680,047
-	-	-	-	-	-	54,076
-	-	-	-	-	-	253,759
(324,830)	-	-	-	-	-	(680,661)
<u>60,456</u>	<u>5,741,837</u>	<u>134,118</u>	<u>680,047</u>	<u>1,564,132</u>	<u>-</u>	<u>9,175,604</u>
<u>\$ 221,106</u>	<u>\$ 6,240,607</u>	<u>\$ 211,511</u>	<u>\$ 763,319</u>	<u>\$ 1,564,132</u>	<u>\$ 3,722,562</u>	<u>\$ 13,940,219</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, 2000  
 (Amounts expressed in thousands)

Exhibit 2

	Governmental Funds				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>REVENUES:</b>					
Sales tax	\$ -	\$ 1,290,122	\$ -	\$ -	\$ 1,290,122
Intergovernmental	4,813	48,862	3,375	296,916	353,966
Investment income	3,123	32,607	8,746	4,348	48,824
Net appreciation (decline) in fair value of investments	(27)	(3,244)	17	2,870	(384)
Lease and rental	12,610	-	-	-	12,610
Licenses and fines	477	7,213	-	-	7,690
Proceeds from lease/leaseback to service	16,610	-	-	-	16,610
Other	2,894	5,826	-	1,389	10,109
<b>TOTAL REVENUES</b>	<b>40,500</b>	<b>1,381,386</b>	<b>12,138</b>	<b>305,523</b>	<b>1,739,547</b>
<b>EXPENDITURES:</b>					
Current:					
Administration and other	27,045	45,863	-	38,732	111,640
Transportation subsidies	3,966	572,725	-	-	576,691
Capital outlay	-	-	-	401,042	401,042
Debt service:					
Interest and fiscal charges	-	-	186,437	-	186,437
Bond principal & commercial paper retirement	-	-	66,135	-	66,135
Joint development expenditure	-	-	3,341	-	3,341
<b>TOTAL EXPENDITURES</b>	<b>31,011</b>	<b>618,588</b>	<b>255,913</b>	<b>439,774</b>	<b>1,345,286</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,489</b>	<b>762,798</b>	<b>(243,775)</b>	<b>(134,251)</b>	<b>394,261</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	50,680	135,900	246,598	68,155	501,333
Operating transfers out	(10,602)	(857,117)	(734)	(103,743)	(972,196)
Proceeds from financing	-	-	166,059	215,960	382,019
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>40,078</b>	<b>(721,217)</b>	<b>411,923</b>	<b>180,372</b>	<b>(88,844)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>49,567</b>	<b>41,581</b>	<b>168,148</b>	<b>46,121</b>	<b>305,417</b>
Fund balances - beginning of year	49,762	576,323	109,633	14,335	750,053
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 99,329</b>	<b>\$ 617,904</b>	<b>\$ 277,781</b>	<b>\$ 60,456</b>	<b>\$ 1,055,470</b>

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, 2000  
 (Amounts expressed in thousands)

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ -	\$ -	\$ -	\$ 1,226,829	\$ 1,290,122	\$ 63,293
Intergovernmental	10,375	4,813	(5,562)	45,786	48,862	3,076
Investment income	1,500	3,123	1,623	15,727	32,607	16,880
Net appreciation (decline) in fair value of investments	-	(27)	(27)	-	(3,244)	(3,244)
Lease and rental	10,500	12,610	2,110	-	-	-
Licenses and fines	452	477	25	6,000	7,213	1,213
Proceeds on lease/leaseback to service	-	16,610	16,610	-	-	-
Other	915	2,894	1,979	-	5,826	5,826
<b>TOTAL REVENUES</b>	<b>23,742</b>	<b>40,500</b>	<b>16,758</b>	<b>1,294,342</b>	<b>1,381,386</b>	<b>87,044</b>
<b>EXPENDITURES:</b>						
Current:						
Administration and other	59,241	27,045	32,196	144,603	45,863	98,740
Transportation subsidies	7,455	3,966	3,489	600,174	572,725	27,449
Capital Outlay	-	-	-	-	-	-
Debt and interest expenditures	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond principal & commercial paper retirement	-	-	-	-	-	-
Joint development expenditure	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>66,696</b>	<b>31,011</b>	<b>35,685</b>	<b>744,777</b>	<b>618,588</b>	<b>126,189</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(42,954)</b>	<b>9,489</b>	<b>52,443</b>	<b>549,565</b>	<b>762,798</b>	<b>213,233</b>
Other financing Sources (Uses):						
Operating transfers in	44,735	50,680	5,945	110,834	135,900	25,066
Operating transfers out	(5,102)	(10,602)	(5,500)	(822,674)	(857,117)	(34,443)
Proceeds from financing	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>39,633</b>	<b>40,078</b>	<b>445</b>	<b>(711,840)</b>	<b>(721,217)</b>	<b>(9,377)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(3,321)</b>	<b>49,567</b>	<b>52,888</b>	<b>(162,275)</b>	<b>41,581</b>	<b>203,856</b>
Fund balances - beginning of year	49,762	49,762	-	576,323	576,323	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 46,441</b>	<b>\$ 99,329</b>	<b>\$ 52,888</b>	<b>\$ 414,048</b>	<b>\$ 617,904</b>	<b>\$ 203,856</b>

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

Exhibit 3

Debt Service Fund			Capital Projects Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,522	3,375	853	457,974	296,916	(161,058)
8,600	8,746	146	-	4,348	4,348
-	17	17	-	2,870	2,870
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,200	1,389	189
<u>11,122</u>	<u>12,138</u>	<u>1,016</u>	<u>459,174</u>	<u>305,523</u>	<u>(153,651)</u>
-	-	-	48,866	38,732	10,134
-	-	-	-	-	-
-	-	-	553,261	401,042	152,219
194,939	186,437	8,502	-	-	-
75,219	66,135	9,084	-	-	-
5,701	3,341	2,360	-	-	-
<u>275,859</u>	<u>255,913</u>	<u>19,946</u>	<u>602,127</u>	<u>439,774</u>	<u>162,353</u>
<u>(264,737)</u>	<u>(243,775)</u>	<u>20,962</u>	<u>(142,953)</u>	<u>(134,251)</u>	<u>8,702</u>
250,145	246,598	(3,547)	15,502	68,155	52,653
-	(734)	(734)	(166,184)	(103,743)	62,441
14,592	166,059	151,467	268,784	215,960	(52,824)
<u>264,737</u>	<u>411,923</u>	<u>147,186</u>	<u>118,102</u>	<u>180,372</u>	<u>62,270</u>
-	168,148	168,148	(24,851)	46,121	70,972
109,633	109,633	-	14,335	14,335	-
<u>\$ 109,633</u>	<u>\$ 277,781</u>	<u>\$ 168,148</u>	<u>\$ (10,516)</u>	<u>\$ 60,456</u>	<u>\$ 70,972</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, 2000  
 (Amounts expressed in thousands)

	Proprietary Fund Types		Totals (Memorandum only)
	Enterprise	Internal Service	
<b>OPERATING REVENUES:</b>			
Passenger fares	\$ 233,436	\$ -	\$ 233,436
Route subsidies	234	-	234
Auxiliary transportation	13,630	-	13,630
Charges for services	-	473,873	473,873
<b>TOTAL OPERATING REVENUES</b>	<b>247,300</b>	<b>473,873</b>	<b>721,173</b>
<b>OPERATING EXPENSES:</b>			
Transportation	493,961	-	493,961
Maintenance	259,656	-	259,656
General and administrative	34,444	-	34,444
Depreciation	225,762	6,889	232,651
Salaries and wages	-	212,999	212,999
Fringe benefits	-	225,129	225,129
Allocable costs	-	40,049	40,049
<b>TOTAL OPERATING EXPENSES</b>	<b>1,013,823</b>	<b>485,066</b>	<b>1,498,889</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(766,523)</b>	<b>(11,193)</b>	<b>(777,716)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>			
Local operating grants	1,251	-	1,251
Federal operating grants	85,379	-	85,379
Interest revenue	7,562	4,402	11,964
Net appreciation (decline) in fair value of investments	(771)	(528)	(1,299)
Interest expense	(11,469)	-	(11,469)
Gain (loss) on disposition of fixed assets	(1,316)	-	(1,316)
Other	2,550	430	2,980
<b>TOTAL NONOPERATING REVENUES</b>	<b>83,186</b>	<b>4,304</b>	<b>87,490</b>
<b>(LOSS) BEFORE OPERATING TRANSFER IN</b>	<b>(683,337)</b>	<b>(6,889)</b>	<b>(690,226)</b>
Operating transfers in	470,863	-	470,863
<b>NET (LOSS) FOR THE YEAR</b>	<b>(212,474)</b>	<b>(6,889)</b>	<b>(219,363)</b>
Add back depreciation on assets acquired with capital grants	225,762	6,889	232,651
<b>INCREASE IN RETAINED EARNINGS</b>	<b>13,288</b>	<b>-</b>	<b>13,288</b>
Retained earnings (deficit) - beginning of year	(89,094)	-	(89,094)
<b>RETAINED EARNINGS (DEFICIT) - END OF YEAR</b>	<b>\$ (75,806)</b>	<b>\$ -</b>	<b>\$ (75,806)</b>

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

Los Angeles County Metropolitan Transportation Authority  
Combining Statement of Cash Flows - All Proprietary Fund Types  
For the year ended June 30, 2000  
(Amounts expressed in thousands)

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Cash flow from operating activities:</b>			
Operating loss	\$ (766,523)	\$ (11,193)	\$ (777,716)
Adjustment to reconcile operating loss to net cash used in operating activities:			
Depreciation	225,762	6,889	232,651
<b>Net effect of changes in:</b>			
Accounts receivable	(8,622)	-	(8,622)
Intergovernmental receivable	-	(9,461)	(9,461)
Leases and other receivable	(944)	734	(210)
Advances to other funds	113	-	113
Inventories	(3,654)	-	(3,654)
Prepaid items and other assets	(214)	(3,685)	(3,899)
Accounts payable	494	17,183	17,677
Accrued liabilities	1,008	(9,625)	(8,617)
Claims and judgment payable	(23,221)	-	(23,221)
Advances from other funds	(434)	-	(434)
Compensated absences payable	(1,108)	72	(1,036)
Deferred revenues	817	-	817
Post-retirement benefits payable	2,086	344	2,430
Net cash used in operating activities	<u>(574,440)</u>	<u>(8,742)</u>	<u>(583,182)</u>
<b>Cash flow from non-capital financing activities:</b>			
Proceeds from operating grants	120,567	-	120,567
Operating transfers in from other funds	470,863	-	470,863
Operating transfers out from other funds	-	-	-
Proceeds from sale of miscellaneous obsolete parts and other	2,550	430	2,980
Net cash provided by non-capital financing activities	<u>593,980</u>	<u>430</u>	<u>594,410</u>
<b>Cash flow from capital and related financing activities:</b>			
Proceeds from capital grants received	9,865	-	9,865
Proceeds from disposition of fixed assets	125	-	125
Payment of matured bonds and notes payable	(17,665)	-	(17,665)
Interest paid on bonds and notes payable	(12,038)	-	(12,038)
Net cash used in capital and related financing activities	<u>(19,713)</u>	<u>-</u>	<u>(19,713)</u>
<b>Cash flow from investing activities:</b>			
Proceeds from sales and maturity of investments	145,872	-	145,872
Purchase of investments	(129,791)	-	(129,791)
Interest received on pooled cash and investments	7,523	3,207	10,730
Net cash provided by investing activities	<u>23,604</u>	<u>3,207</u>	<u>26,811</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	23,431	(5,105)	18,326
Cash and cash equivalents - beginning of year	<u>159,834</u>	<u>46,305</u>	<u>206,139</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 183,265</u>	<u>\$ 41,200</u>	<u>\$ 224,465</u>
<b>Supplemental schedule of noncash investing, capital and financing transactions:</b>			
Transfer of fixed assets from General Fixed Assets Account Group	\$ 1,483,079	\$ -	\$ 1,483,079
Net (decline) in fair value of investments	(771)	(528)	(1,299)

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

Los Angeles County Metropolitan Transportation Authority  
 Comparative Statements of Changes in Plan Net Assets - Pension Trust Fund  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit 6

	2000	1999
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 12,593	\$ 14,354
Member	15,924	8,049
Total contributions	<u>28,517</u>	<u>22,403</u>
Investment income		
Net appreciation in fair value of investments	55,187	72,290
Investment income	10,498	16,425
Total investment activity income	<u>65,685</u>	<u>88,715</u>
Less expenses from investment activities		
Net investment activity income	<u>-</u>	<u>(3,643)</u>
Total net investment income	<u>65,685</u>	<u>85,072</u>
<b>TOTAL ADDITIONS</b>	<u>94,202</u>	<u>107,475</u>
<b>DEDUCTIONS</b>		
Retiree benefits	68,374	142,829
Administrative expense	882	1,041
<b>TOTAL DEDUCTIONS</b>	<u>69,256</u>	<u>143,870</u>
<b>NET INCREASE (DECREASE)</b>	24,946	(36,395)
Net assets held in trust for pension benefits, July 1	<u>655,101</u>	<u>691,496</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS JUNE 30</b>	<u>\$ 680,047</u>	<u>\$ 655,101</u>

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

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Notes to Combined Financial Statements

June 30, 2000

The Notes to the Combined Financial Statements are a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying financial statements.

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements  
June 30, 2000

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Los Angeles 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, three members appointed by the Mayor, 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 to represent the other cities in the County and a non-voting member appointed by the Governor of the State of California.

Management has prepared the financial statements of the MTA and its blended component units. The blended 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, the LACMTA Leasing Authority, and the Service Authority for Freeway Emergencies (SAFE), 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 to the provision of public transportation in and around Los Angeles County. To achieve this goal, the MTA entered into an Acquisition Agreement (Agreement) under which the planning, programming, administrative, operational management and construction 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 BADs were formed to assist in the financing of the private sector portion of the countywide 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 AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

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.

SAFE was established in 1988 under authority of the California Legislature to provide emergency aid to motorists on California freeways and expressways within the Los Angeles County.

**Bus and Rail Operations**

One of the MTA's major responsibilities is to deliver quality bus and rail transportation services throughout Los Angeles county, the most populous county in the United States. On any given weekday, the MTA operates a peak vehicle fleet of approximately 2,000 buses, transporting 1.1 million passengers on 3,500 miles of bus lines.

The MTA operates three Metro Rail lines. The Metro Red Line (heavy-rail) provides service from Downtown Los Angeles (Union Station) to Mid-Wilshire and the San Fernando Valley (North Hollywood). The successful extension of the Metro Red Line to North Hollywood in June 2000 has dramatically increased the heavy rail boarding by 85%. 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. Concurrent with the opening of the Metro Red Line to North Hollywood, the MTA inaugurated two new Metro Rapid bus lines – one running from Santa Monica to Whittier via Wilshire Boulevard and one in the San Fernando Valley from Warner Center to the Universal City station on the Metro Red Line.

**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 State Transit Assistance (STA), the Transportation Development Act (TDA), county-wide sales taxes and funds derived from Federal and State gas 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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

**Engineering and Construction**

The North Hollywood Extension of the Metro Red Line began operations in June 2000. This final leg of the subway system is 6.3 miles from Hollywood to North Hollywood and connects downtown Los Angeles to the San Fernando Valley.

**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 is 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.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

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. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the MTA applies all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 for proprietary funds, that do not conflict with GASB pronouncements. The MTA has elected to apply FASB Statements issued after November 30, 1989 for proprietary funds, except for those that conflict with or contradict GASB pronouncements. The MTA's significant accounting policies are described below:

**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.



LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

**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* is used to account for those financial resources that are not required to be accounted for in another fund.

*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.

*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* 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. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the MTA applies all applicable GASB pronouncements as well as all Financial Accounting Standards Board (FASB) statements and Interpretations issued on or before November 30, 1989 for proprietary funds, that do not conflict with GASB pronouncements. The MTA has elected to apply FASB Statements issued after November 30, 1989 for proprietary funds, except for those that conflict with or contradict GASB pronouncements. Proprietary funds include the following fund types:

*Enterprise Fund* is used to account for operations that 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 and shortfalls from governmental subsidies.

*Internal Service Fund* is used to account for the goods and services provided to MTA projects 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:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

*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* 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* is established to account for fixed assets of the MTA, other than those accounted for in the proprietary fund.

*General Long-Term Debt Account Group* is established to account for general long-term debt of the MTA and certain other liabilities that are not specific liabilities of the proprietary funds.

**C. 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 the pension trust funds. Under this basis, revenues are recognized when earned and expenses are recorded when incurred.

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

**D. Budgetary Accounting**

Enabling legislation and adopted policies and procedures provide that the MTA's Board approves an annual budget. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and proprietary funds. The Board also approves a life of project budget whenever new capital projects are 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 the Board must approve additional

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

appropriations. 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. Re-forecasted budgets for operating and capital expenditures are submitted to the Board a minimum of once a year. Budget amendments are made when needed. No amendments were made in the year ended June 30, 2000.

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. These include the general fund, special revenue funds, debt service fund, and capital projects funds.
- Annual budgets are adopted on the accrual basis for the proprietary fund types

**E. Encumbrances**

Encumbrance accounting is employed in the general, special revenue and capital project funds. Under this method, purchase orders, contracts, memoranda of understanding (MOUs), and other commitments outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. These commitments will be recognized in subsequent year appropriations.

**F. Cash and Investments**

All investments are stated at fair value. Net increases or decreases 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 the 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 an 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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

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.

**G. Interfund Receivable/Payable**

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

**H. 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.

**I. 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 on general fixed assets.

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 computed using the straight-line method that is based upon the estimated useful lives of individual assets. The estimated useful lives of fixed assets are as follows:

	<u>Years</u>
Buildings and structures	30
Rail Cars	25
Buses	12
Other vehicles	5
Equipment and other furnishing	10

Proprietary fund assets acquired with federal, state and local capital grants are included in property, plant and equipment, and depreciation on these assets are included in the

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

accompanying statement of revenues, expenses and changes in retained earnings and amortized against the contributed capital accounts.

**J. 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 that includes four defined benefit pension plans for its employees. Only those employees represented by the United Transportation Union, Amalgamated Transit Union and Transportation Communications Union contribute a specified percentage, as recommended by the Plans' actuary, of their annual salaries to the plan in which they participate. The financial statements for these pension plans are included in the fiduciary fund type.

**K. Compensated Absences**

MTA's and PTSC's union-represented (contract) employees, which are made up of employees represented by the United Transportation Union (UTU), the Amalgamated Transportation Union (ATU), Transportation Communications Union (TCU), American Federation State, County, Municipal Employees (AFSCME) and the Brotherhood of Teamsters (Teamsters) accumulate vacation pay and sick leave pay in varying amounts based on the collective bargaining agreements with the various unions. All outstanding vacation is payable upon termination of employment. UTU and 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.

The MTA and PTSC have a combined sick leave and vacation program for its non-represented and AFSCME-represented 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. Frozen vacation may be converted into TOWP once per year at the request of the employee, or will be paid at 100% at retirement, termination, or death. Frozen sick leave may be converted to TOWP prior to retirement at a 75% conversion rate, when an employee age is 55 and has five years or more service. Upon retirement, unused sick pay is paid at 75%, except for those individuals that retire between age 50 and 55 years, wherein the payout rate varies from 50% to 75% depending on the employee's age at retirement. All employees with 30 or more years of service, regardless of age at retirement, have a payout rate at 75%. Upon death, payment of frozen sick leave will be at 100% to the employee's beneficiary.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

**L. 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.

**M. Deferred Revenues**

Deferred revenues arise when 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, such as grant monies 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.

**N. 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 eliminations have not been made.

**O. Reclassifications**

Comparative data for the prior year has been presented in 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. The Ridesharing and Federal Aid Urban funds were reclassified from the special revenue funds to the general fund. The Commuter Rail fund was reclassified from the capital project funds to the general fund.

**2. CASH AND INVESTMENTS**

At June 30, 2000, the MTA's carrying amount of cash in checking and money market accounts was \$103,572,000 while the bank balance was \$116,723,000 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 \$116,523,000 was insured or registered, or was covered by securities held by the bank's trust department or its agent in the MTA's name and therefore classified as Category 1 risk deposits as prescribed by GASB Statement 3.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

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 collateralize 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 that 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. 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. 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:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

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.

Investments at June 30, 2000 consisted of the following (in thousands):

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 36,814	\$	\$	\$ 36,814
U.S. Agency Securities	396,617			396,617
Commercial Paper	326,916			326,916
Corporate Notes & Bonds	358,062			358,062
State and Local Gov't Securities	2,017			2,017
Total	<u>\$ 1,120,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,120,426</u>
Mutual Funds				188,302
Investment Contracts				276,917
Investment Pools				542,226
Total				<u>1,007,445</u>
Total Investments				<u>\$ 2,127,871</u>

The MTA holds positions in two investment pools: the California Local Agency Investment Fund (LAIF) and the Los Angeles County Investment Pool (LACIP). Neither fund is registered with the Securities and Exchange Commission (SEC). The LAIF Advisory Board, whose chairman is the State Treasurer or designee, provides regulatory oversight for LAIF. The County Board of Supervisors provides regulatory oversight for the LACIP.



LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

A reconciliation of Cash and Investments as shown on the Combined Balance Sheet for all funds at June 30, 2000 is as follows (in thousands):

Cash	\$ 103,572
Investments	<u>2,127,871</u>
Total	<u>\$2,231,443</u>
 Reported as:	
Cash and cash equivalents	\$ 862,212
Investments	13,275
Restricted cash and cash equivalents	259,473
Restricted investments	<u>1,096,483</u>
Total	<u>\$2,231,443</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 \$384,000. The net decrease in fair value of investments reported in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings for the proprietary fund types was \$1,299,000. The net appreciation in fair value of investments reported in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings for the pension trust fund was \$55,187,000. The fair value of the position in the investment pools is the same as the value of the pool shares.

### 3. FIXED ASSETS

A summary of changes in the general fixed asset account group for the year ended June 30, 2000 is as follows (in thousands):

	Balance June 30, 1999	Additions	Transfers	Balance June 30, 2000
Land	\$ 785,963	-	\$ (71,543)	\$ 714,420
Contributed Capital:				
SCRRRA	149,983	7,800	-	157,783
Pasadena Rail Authority	-	70,034	-	70,034
Construction in Progress:				
Metro Rail, MOS 2 facilities	5,205	59,227	(64,432)	-
Metro Rail, MOS 3 facilities	1,158,818	69,331	(1,103,949)	124,200
Pasadena Line	211,901	23,471	-	235,372
Other construction in progress	472,906	136,023	(346,606)	262,323
Total	\$ 2,784,776	\$ 365,886	\$ (1,586,530)	\$ 1,564,132

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June 30, 2000

The following is a summary of Enterprise Fund and Internal Service Fund fixed assets at June 30, 2000 (in thousands):

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 610,271	\$ -
Building and Structures	4,844,034	142,391
Vehicles	1,177,790	-
Bus Maintenance and Office Equipment	<u>734,939</u>	<u>21,433</u>
Total Cost	7,367,034	163,824
Less: Accumulated Depreciation	<u>1,518,985</u>	<u>29,706</u>
Net Fixed Assets	<u>\$ 5,848,049</u>	<u>\$ 134,118</u>

#### 4. 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, 2000 follows:

*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.

*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. The Sales Tax Revenue Refunding Bonds, Series 1992 A and the Sales Tax Revenue Proposition C Refunding Bonds, Second Sr. bonds, Series 1993-A are supported by standby bond purchase agreements provided by banks having credit ratings of AA. Bondholders are allowed to "put" the bonds back to the remarketing agent. The bank must purchase bonds that cannot be remarketed and must hold them beyond the expiration of the agreement (if necessary) until they are remarketed, refinanced or mature. The agreement for the Proposition A bonds expires in January 2003 and in January 2004 for the Proposition C bonds. Neither agreement is cancelable.

*Sales Tax Revenue Bonds - Local Allocation* are those where the MTA assists local governments entities in the County by issuing bonds collateralized by sale tax revenues that are allocated to the entity. The necessary funds are deducted from the

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allocated amount due to the particular entity and forwarded to the respective bond trustee by the MTA.

*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* were issued by MTA in association with the California Special Districts Association (CSDA) who 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. The MTA subleases the buses to other governmental agencies. These agencies are required to make payments equal the amount of the lease payments due to the CSDA. In the event the amounts received from the governmental agencies do not equal the lease payments to the CSDA, the MTA is required to use other available resources to make such lease payments.

*Commercial Paper Notes (CPN)*, taxable and tax-exempt, were issued by the MTA with original maturity dates ranging from seven to 270 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 on an interim basis.

The taxable and tax-exempt commercial paper programs are supported by direct-pay, irrevocable letters of credit. The letters of credit are issued by a syndicate of five banks whose credit ratings range from AA to AAA. These letters of credit are drawn upon at each note maturity to repay the bondholders. Principal from the matured notes is reimbursed to the banks either through remarketing of the commercial paper or by direct payment from the MTA. Interest expense is reimbursed on a current basis to the banks from sales tax revenues. In the event that the dealer is unable to remarket the commercial paper and/or MTA is unable to repay interest or principal, the bank will incur an unreimbursed draw on the letter of credit. Unreimbursed draws are converted to term loans following a specified period of time. The term loans are repayable over a period of three years with equal semiannual principal payments. Interest is charged at the Base rate as defined in the applicable Reimbursement Agreement. The letter of credit supporting the taxable commercial paper program expires in June 2002, while the letter of credit supporting the tax-exempt commercial paper program expires in December 2002.

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*Redevelopment and Housing Bonds* were issued 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, collateralized 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.

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

*A Lease/leaseback to Service Obligation* was incurred in June 2000 (note 5). The payments under the lease arrangement are due annually. Funds sufficient to cover all payments have been placed with a fiscal agent.

The following schedule summarizes the changes, in the liabilities reported in the General Long-Term Debt Account Group during the year ended June 30, 2000, (in thousands):

	Balance June 30, 1999	Additions	Payments	Balance June 30, 2000
Sales Tax Revenue Bonds and Refunding Bonds	\$ 2,975,275	\$ -	\$ 60,300	\$ 2,914,975
Sales Tax Revenue Bonds - Local Allocation	19,530	-	2,170	17,360
Grand Central Square Bonds				
Redevelopment Bonds	21,665	-	-	21,665
Lease Revenue Bonds	9,455	-	-	9,455
Lease/leaseback to Service Obligation	-	166,059	-	166,059
General Revenue Bonds	185,735	-	-	185,735
Lease Revenue Bonds	25,383	-	1,735	23,648
Total Bonded Debt	3,237,043	166,059	64,205	3,338,897
Commercial Paper Notes	159,730	215,960	-	375,690
Certificates of Participation	9,905	-	1,930	7,975
Total	<u>\$ 3,406,678</u>	<u>\$ 382,019</u>	<u>\$ 66,135</u>	<u>\$ 3,722,562</u>

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At June 30, 2000 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	\$ 5,560
Sales Tax Revenue Refunding Bonds, Series 1991-B	1991	2018	4.90%-6.50%	281,425	267,550
Sales Tax Revenue Refunding Bonds, Series 1992-A	1992	2012	Variable	98,700	98,700
Sales Tax Revenue Refunding Bonds, Series 1992-B	1992	2004	5.00%-6.00%	107,665	67,250
Sales Tax Revenue Proposition A Refunding Bonds, Series 1993-A	1993	2021	3.50%-6.25%	560,570	546,060
Sales Tax Revenue Bonds Series 1996-A	1996	2026	4.40%-6.00%	110,580	18,505
Sales Tax Revenue Refunding Bonds, Series 1996	1996	2026	5.50%-6.18%	104,715	23,925
Sales Tax Revenue Refunding Bonds, Series 1997-A	1997	2027	5.125%-8.375%	256,870	253,730
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	142,895
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%	516,855	79,120
Sales Tax Revenue Proposition C Refunding Bonds, Second Sr. Bonds, Series 1993-A	1993	2020	Variable	204,095	201,575
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1993-B	1993	2023	4.75%-8.00%	312,350	291,325
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1995-A	1995	2025	4.40%-5.75%	250,000	245,430
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	122,940
Sales Tax Revenue Proposition C Local Allocation, Series 1999-A	1999	2008	4.00%-4.30%	21,700	17,360
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	1996	2025	5.00-5.90%	185,735	185,735
Lease Revenue Bonds	1990	2006	7.38%	26,400	13,332
Yen Obligation	1991	2006	4.94%	6,600	10,316
Lease/leaseback Obligation	2000	2022	7.30%	166,059	166,059
Certificates of Participation, Series 1991-G	1991	2004	4.90%-6.50%	19,340	6,815
Certificates of Participation, Series 1992-C	1992	2004	2.90%-6.00%	3,390	1,160
Commercial Paper Notes	1991	Various	Various	565,960	375,690
Total				<u>\$ 5,155,707</u>	<u>\$ 3,722,562</u>

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The annual funding requirements for principal and interest of the general long-term debt account group liability at June 30, 2000 are as follows (in thousands):

Year Ending June 30	Bonded Debt	Other Debt	Governmental Funds Debt
2001	\$ 241,527	\$ 19,441	\$ 260,968
2002	248,033	19,345	267,378
2003	248,391	19,255	267,646
2004	247,950	19,156	267,106
2005	247,886	17,042	264,928
Thereafter	4,950,703	565,156	5,515,859
Total principal and interest	6,184,490	659,395	6,843,885
Less: Amount representing interest and accreted value	2,845,593	275,730	3,121,323
Total	\$ 3,338,897	\$ 383,665	\$ 3,722,562

**Proprietary Fund Types**

The portion of outstanding debt related to operations of the enterprise fund is included in the accounts of the proprietary fund types. A summary of debt service requirements, including principal and interest as of June 30, 2000, is 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 range from 5.2% to 7.7% for the period 1995 to 2010. The purpose of these certificates was to provide a multiple-year workers' compensation self-insurance fund for the MTA. The total principal amount outstanding recorded in the enterprise fund as of June 30, 2000 was \$117,000,000.

*Certificates of Participation (1992 issue)* - In June 1992, the MTA participated in the \$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 80% funded from Federal Transit Administration (FTA) Section 5307 capital grant funds and 20% from Transportation Development Act funds. 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, 2000 was \$39,455,000.

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The annual funding requirements (principal and interest) for the long-term debt outstanding of the Proprietary Fund type at June 30, 2000 are as follows (in thousands):

Year Ending June 30	Certificates of Participation
2001	\$ 28,637
2002	27,968
2003	27,283
2004	26,643
2005	16,194
Thereafter	<u>79,962</u>
Total Principal and Interest	206,687
Less: Amount representing interest	<u>50,232</u>
Total	<u>\$156,455</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 Metro Red Line. The A1 and A2 Bonds, \$134,605,000 and \$7,115,000, respectively, are solely payable from assessments paid by owners of assessable property within Districts A1 and A2, respectively.

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.

**5. LEASE/LEASEBACK**

In January 1997, the MTA entered into a head lease agreement to lease 30 heavy Breda rail vehicles that are currently in service on the Metro Red Line with a carrying value of \$38.5 million. The MTA simultaneously entered into a sub-lease agreement to lease the vehicles back. MTA received payments under the head lease from the investor of approximately \$38.5 million of which \$33.2 million were placed into two investments in irrevocable trusts, as agreed. These trusts will make the principal and interest payments on the finance obligations under the lease agreement. MTA placed \$27

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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.

In fiscal year 2000, the MTA entered into three "lease/leaseback to service" agreements covering 72 heavy rail vehicles. These arrangements are similar to lease/leaseback transactions but have a 25-year service period at the end of lease/leaseback period under certain conditions. These arrangements are substantially identical except that two have 22 year lease/leaseback terms and the third has a 19 year term. The MTA entered into head leases to lease the cars to trusts (investors) and simultaneously entered into sublease agreements to lease them back. The MTA received prepayments of the head lease from the investors of approximately \$182.6 million, of which, it used approximately \$166.0 million to place two types of investments that will be used to make the interest and principal payments on the finance obligation. The MTA placed \$143.6 million in fixed rate deposits and invested \$22.4 million in government zero-coupon bonds. The interest earned on the deposits together with the principal amounts of the deposits and the maturities of the zero-coupon bonds are sufficient to cover the amounts due under the finance obligation. \$16.6 million represents consideration for tax benefits.

For all three of the above transactions, the MTA is obligated to insure and maintain the equipment. The lease agreements also provide for the MTA's right to continue to use and control of the equipment. The MTA also has agreed to indemnify the lessors from any taxes imposed by United States taxing authorities.

The proceeds from the various finance obligations have been recorded as restricted investments in the debt service fund. The related liabilities are shown in the general long-term debt account group. Amounts to be provided for retirement of this general long-term debt will be provided from earnings on the related investments together with the principal amounts of the investments.



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**6. 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, 2000 were \$5,869,000. Future minimum lease payments for these leases are as follows (in thousands):

Year Ending <u>June 30,</u>	
2001	\$4,322
2002	3,102
2003	1,014
2004	292
2005	190
Thereafter	<u>41</u>
Total	<u>\$8,961</u>

**7. 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 Teamsters, AFSCME, and non-represented employees.

**California Public Employees' Retirement System**

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

Most 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. An annual stand-alone financial report is issued and a copy can be obtained by requesting a copy from PERS P. O. Box 942709, Sacramento, California 94229-2709.

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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, 2000, 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, 2000 and the transition year ended June 30, 1999 were \$10,348,000 and \$9,275,000 respectively, all of which was attributable to the PTSC and paid in full. Such contributions were made in accordance with the latest PERS actuarial valuation. These pension contributions for normal costs include the employees' portion and for the year ended June 30, 2000 and the transition year ended June 30, 1999 were \$5,266,000 and \$4,963,000 respectively. At June 30, 2000 and 1999 there was no Net Pension Obligation (NPO) for this fund.

The valuation date was June 30, 1999 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 8.25% investment rate of return; an inflation rate of 3.5%; 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-represented, Teamster, and AFSCME represented employees and 10 years for UTU, ATU, and TCU represented 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 the actuarially computed 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

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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, 2000 and the transition year ended June 30, 1999 are as follows:

Contributions	United Transportation Union Plan	Transportation Communication Union Plan	Amalgamated Transit Union Plan	Non-Contract Employees Plan	Total
<u>2000</u>					
Employer	\$ 6,287,000	\$ 843,000	\$ 4,102,000	\$ 1,361,000	\$ 12,593,000
Employee	10,576,000	1,016,000	4,332,000	-	15,924,000
Total	<u>\$ 16,863,000</u>	<u>\$ 1,859,000</u>	<u>\$ 8,434,000</u>	<u>\$ 1,361,000</u>	<u>\$ 28,517,000</u>
<u>1999</u>					
Employer	\$ 9,907,000	\$ 1,003,000	\$ 3,444,000	238,000	\$ 14,354,000
Employee	4,131,000	545,000	3,135,000	-	8,049,000
Total	<u>\$ 14,038,000</u>	<u>\$ 1,548,000</u>	<u>\$ 6,579,000</u>	<u>\$ 238,000</u>	<u>\$ 22,403,000</u>

The MTA's contributions to the Plans for the year ended June 30, 2000 were made in accordance with the actuarially determined requirements computed as of December 31, 1999. Actuarially computed costs are determined using the projected unit credit cost method. The total ARC, was paid in full for all plans, for the current and transition year was \$12,592,000 and \$14,354,000 respectively, which also was the Annual Pension Cost for both periods since there was no NPO at June 30, 2000 or 1999. The required contribution rate by employees was between 4.62% to 7.25% and 4.23% to 6.99% of their annual wages for the current and transition year, respectively. The employer rate is equal to ARC. The method of 1/2 book value + 1/2 market value 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 actuarial assumptions are: an 8% investment rate of return including a 3.5% rate for inflation; projected salary increases of 4.5%; and no post-retirement benefit increases.

**Post-Retirement Benefits**

The MTA provides post-retirement benefits that consist of health care and life insurance benefits purchased for retired employees and families through a commercial insurance policy. 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 \$3,967,000 for the year ended June 30, 2000 and MTA contributions are funded on a pay-as-you-go-basis.

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The outstanding long-term liability for the Post-Retirement Benefits as of June 30, 2000 is \$72,090,000.

**Other Employee Benefits**

The following is a summary of the compensated absences payable at June 30, 2000 (in thousands):

	Union	Non-Union	Total
Vacation	\$ 18,744	\$ 5,418	\$ 24,162
Sick Leave	11,181	1,360	12,541
TOWP	328	9,843	10,171
Total	\$ 30,253	\$ 16,621	\$ 46,874

**8. ADVANCES DUE TO/FROM OTHER FUNDS**

The following is a table summarizing advances due to/from other funds at June 30, 2000 (in thousands):

Advance From	Advances To	Amount
Enterprise Fund	Transportation Development Fund	\$ 2,573
Proposition A - 40%	Enterprise Fund	6,000
Proposition C - 40%	Enterprise Fund	8,029
Proposition C - 25%	FEMA Earthquake	8,869
FEMA Earthquake	FHWA Earthquake	1,779
	Total	\$ 27,250

**9. 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 that 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

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compensation plan and the related liability to employees are not reported in the fiduciary fund. At June 30, 2000 the deferred compensation plans had assets (at fair value) totaling \$177,078,000.

**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 1999. 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. Accordingly, the plan's assets and liability to employees are not reported in the fiduciary fund. At June 30, 2000, the 401(k) savings plan had assets (at market value) totaling \$101,685,000

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.

**10. CLAIMS AND JUDGMENTS**

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 cover 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, 2000 the amount of settlements for the last three fiscal years did not exceed the insurance coverage in force on the reporting

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

date. At June 30, 2000, a liability of \$21,004,000 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, 2000 will be sufficient to cover any costs arising out of claims filed or to be filed for incidents that 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 no claims have been reported.

Prior to September 1, 1998, the MTA was fully self-insured for workers' compensation claims. The outstanding liability as of June 30, 2000 is \$102,803,000 for claims arising prior to that date. Effective September 1, 1999, the MTA and PTSC formed a joint powers 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 bus operations. The property insurance policy covers insurable values of \$4,800,000,000. 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 never exceeded the insurance coverage. The MTA reserves set aside for the incurred and outstanding liabilities as of June 30, 2000 are \$45,635,000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

The following table summarizes changes in the claims and judgments reserves for the years ended June 30, 2000 and 1999 (in thousands):

	Construction		Property and Casualty		Workers' Compensation		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Unpaid claims and claim adjustment reserves - beginning of year	\$20,785	\$22,652	\$39,589	\$36,421	\$132,873	\$99,156	\$193,247	\$158,229
Incurring claims and claim adjustment expense:								
Provisions for insured events of the current fiscal years	317	3,068	26,253	21,094	-	7,363	26,570	31,525
Increases in provision for insured Events of prior fiscal years	11,754	1,724	1,444	8,464	4,574	58,520	17,772	68,708
Total incurred claims and claims adjustment expense	32,856	27,444	67,286	65,979	137,447	165,039	237,589	258,462
Payments:								
Attributable to insured events of the current fiscal year	-	(1,129)	(1,662)	(1,226)	-	(2,127)	(1,662)	(4,482)
Attributable to insured events of prior fiscal years	(11,851)	(5,530)	(19,990)	(25,164)	(34,644)	(30,039)	(66,485)	(60,733)
Total Payments	(11,851)	(6,659)	(21,652)	(26,390)	(34,644)	(32,166)	(68,147)	(65,215)
Total unpaid claims and claim adjustment Reserves - end of the year	\$21,005	\$20,785	\$45,634	\$39,589	\$102,803	\$132,873	\$169,442	\$193,247

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

**11. CHANGES IN PROPRIETARY FUND EQUITY BALANCES**

The changes in the enterprise and internal service fund (deficit) equity balances for the year ended June 30, 2000 are as follows (in thousands):

	Retained Earnings (Deficit)	Contributed Capital			Total
		Federal	State	Local	
<b><u>Enterprise Fund</u></b>					
Balance, July 1, 1999	\$ (89,094)	\$ 1,630,240	\$ 300,688	\$ 2,619,532	\$ 4,461,366
Increase in Retained Earnings	13,288	-	-	-	13,288
Depreciation on assets acquired with capital grants	-	(89,424)	(7,806)	(128,532)	(225,762)
Assets acquired with capital grants	-	876,976	150,138	465,831	1,492,945
Balance, June 30, 2000	\$ <u>(75,806)</u>	<u>2,417,792</u>	<u>\$ 443,020</u>	<u>\$ 2,956,831</u>	<u>\$ 5,741,837</u>
<b><u>Internal Service Fund</u></b>					
Balance July 1, 1999	\$ -	\$ -	\$ -	\$ 141,007	\$ 141,007
Depreciation on assets acquired with capital grants	-	-	-	(6,889)	(6,889)
Balance, June 30, 2000	\$ <u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,118</u>	<u>\$ 134,118</u>

**12. RESERVED AND DESIGNATED FUND BALANCES**

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

*Reserved for Memoranda of Understanding* was established to segregate a portion of the fund balance for contractual commitments.

*Reserved for Encumbrances* was established to segregate part of the fund balance for outstanding commitments related to unperformed contracts.

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

*Reserved for Interfund Receivable* was established to set aside a portion of fund balance for advances made to other funds.



LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

*Reserved for Debt Service* was 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* was established to reflect fund balances restricted to provide retirement benefits in future years.

*Designated for Planning and Administration* was established to set aside a portion of fund balance for future planning and administrative activities.

*Designated for Transportation Improvements* was established to set aside a portion of fund balance for future transportation improvements.

**13. DEFICIT FUND/RETAINED EARNINGS BALANCES**

As of June 30, 2000 the Enterprise fund had a deficit retained earnings balance of \$75,806,000. Management intends to eliminate this deficit from future years' operations.

**14. INDIVIDUAL FUNDS WITH EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

No funds had expenditures exceeding appropriations during the year ended June 30, 2000.

**15. ENGINEERING AND CONSTRUCTION IN PROGRESS AND OTHER SIGNIFICANT COMMITMENTS**

The MTA is completing the construction of the Metro Red Line North Hollywood extension. The extension is 6.3 miles long and goes from Hollywood to North Hollywood. Remaining activities include receiving the Certificate of Occupancy, completing US-101 Freeway Overcrossing and Universal City Station site restoration, and completing Lankersheim Bridge widening and Lankersheim Boulevard restoration.

The budget for the North Hollywood extension is \$1.3 billion of which \$1.1 billion has been expended as of June 30, 2000.

The MTA is maintaining and enhancing its rail and bus facilities through the Capital Improvement Plan. Major projects include the Metro Blue Line platform extensions, Metro Red Line radio retrofit and tunnel grouting, and bus facilities re-roofing, fuel tank replacements, CNG compressors, and the Americans with Disabilities Act (ADA) compliance. Rail capital improvements include on-going rail projects such as the Los Angeles/Long Beach Blue Line final approval list and claims, the Metro Blue Line corrosion control studies and construction, the Imperial Highway final approval list, the Pasadena Blue Line Engineering Management Consultant (EMC) claims, and the deferred Metro Red Line Projects environmental mitigation.

**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 \$670 million for MOU commitments in various Special Revenue Funds.

**16. 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. Such programs are subject to review and audit by the grantor agencies. These audits could result in disallowed expenditures 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.

**17. 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 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: for MTA - 4; for OCTA - 2; for RCTC - 2; for SANBAG - 2; for VCTC -1.

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, San Diego County and terminating at the Los Angeles Union Station.

Funding for the Metrolink's construction has been from capital contributions from member agencies and the State of California.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

The MTA has made capital contributions to the SCRRA totaling \$157,783,000 as of June 30, 2000.

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, 2000. Summary unaudited financial information for the SCRRA's proprietary funds as of and for the year ended June 30, 2000 is as follows (in thousands):

Current Assets	\$	47,184
Investments, Property and Equipment		690,596
Total Assets	\$	<u>737,780</u>
Total Liabilities	\$	42,592
Total Equity		695,188
Total Liabilities and Equity	\$	<u>737,188</u>
Total Revenues	\$	80,499
Total Expenses		(134,668)
Contributed Capital Adjustment for Depreciation		48,052
Net Increase in Retained Earnings	\$	<u>(6,117)</u>

Additional detailed financial information is available from the SCRRA, P.O. Box 86425, Los Angeles, CA 90086-0425.

## 18. SUBSEQUENT EVENTS

### Sales Tax

Governor Gray Davis recently announced that the State sales tax would be cut by one-quarter percent effective January 1, 2001. A 1991 law that is triggered when the State's sales tax revenue exceeds four percent of general fund revenues for the second consecutive year requires this cut.

Propositions A and C, and other local sales taxes are not affected by this action. However, portions of the State sales tax are used to fund the Public Transportation Account (PTA) through which the MTA, and other Los Angeles County transit operators, receive about \$32 million annually for bus and rail operations. MTA estimates that this sales tax reduction will not have a material impact on the financial conditions of the MTA.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Notes to Combined Financial Statements (Continued)  
June 30, 2000

**Debt Refinancing**

In November 2000, the MTA sold \$161 million in 30-year bonds to refinance a series of short-term loans accumulated during fiscal year 2000 to finance the agency expenditures on bus, highway and rail related capital projects.

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**REQUIRED SUPPLEMENTAL  
INFORMATION**

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
 REQUIRED SUPPLEMENTAL INFORMATION  
 For Fiscal Year Ended June 30, 2000

Schedule of Funding Progress

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 funds contributed to by:

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)
<b>PTSC</b>						
6/30/97	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	42,164,000	62,782,000	(20,617,000)	148.9%	73,935,000	(27.9)%
6/30/99	53,714,000	80,690,000	(26,976,000)	150.2%	71,098,000	(37.9)%
<b>MTA</b>						
<u>UTU</u>						
12/31/97	323,453,000	312,716,000	10,737,000	96.70%	135,243,000	7.90%
12/31/98	322,451,000	287,170,000	35,281,000	89.10%	142,616,000	24.70%
12/31/99	309,834,000	252,925,000	56,909,000	81.63%	148,194,000	38.40%
<u>TCU</u>						
12/31/97	41,046,000	43,638,000	(2,592,000)	106.30%	20,704,000	(12.50)%
12/31/98	43,599,000	44,655,000	(1,056,000)	102.40%	21,706,000	(4.90)%
12/31/99	45,002,000	46,373,000	(1,371,000)	103.05%	22,533,000	(6.09)%
<u>ATU</u>						
12/31/97	149,762,000	154,137,000	(4,375,000)	102.90%	77,620,000	(5.60)%
12/31/98	156,534,000	151,745,000	4,789,000	96.90%	80,320,000	6.00%
12/31/99	158,850,000	143,410,000	15,440,000	90.28%	84,984,000	18.17%
<u>Non Contract</u>						
12/31/97	122,585,000	144,838,000	(22,253,000)	118.20%	33,769,000	(65.90)%
12/31/98	140,275,000	152,323,000	(12,048,000)	108.60%	31,576,000	(38.20)%
12/31/99	142,596,000	169,891,000	(27,295,000)	119.14%	29,715,000	(91.86)%
<u>Total</u>						
12/31/97	636,846,000	655,329,000	(18,483,000)	102.90%	267,336,000	(6.90)%
12/31/98	662,859,000	635,893,000	26,966,000	95.90%	276,218,000	9.80%
12/31/99	656,282,000	612,599,000	43,683,000	93.34%	285,426,000	15.30%

## **General Fund**

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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.

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Los Angeles County Metropolitan Transportation Authority  
 General Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit A-1

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 104,545	\$ 58,324
Receivables:		
Accounts	3,913	1,303
Intergovernmental	13,260	13,260
Interest	733	242
Leases and other	758	735
Prepaid items and other assets	<u>727</u>	<u>1,371</u>
<b>TOTAL ASSETS</b>	<u>\$ 123,936</u>	<u>\$ 75,235</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 10,953	\$ 11,898
Accrued liabilities	16	15
Deferred revenues	13,344	13,344
Other liabilities	<u>294</u>	<u>216</u>
<b>TOTAL LIABILITIES</b>	<u>24,607</u>	<u>25,473</u>
 <b>FUND BALANCES:</b>		
Reserved for encumbrances	23,194	11,316
Reserved for memorandum of understanding	1,238	1,157
Reserved for prepaid and other assets	727	1,371
Designated for planning & administration	54,076	35,918
Unreserved, undesignated	<u>20,094</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<u>99,329</u>	<u>49,762</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 123,936</u>	<u>\$ 75,235</u>

Los Angeles County Metropolitan Transportation Authority  
General Fund  
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances  
For the years ended June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit A-2

	2000	1999
<b>REVENUES:</b>		
Intergovernmental	\$ 4,813	\$ 972
Investment income	3,123	3,173
Net appreciation (decline) in fair value of investments	(27)	(701)
Lease and rental	12,610	8,634
Licenses and fines	477	429
Proceeds from sales and leaseback	16,610	-
Other revenue	2,894	8,898
<b>TOTAL REVENUES</b>	<b>40,500</b>	<b>21,405</b>
<b>EXPENDITURES:</b>		
Current:		
Administration and other	27,045	31,271
Transportation subsidies	3,966	4,758
<b>TOTAL EXPENDITURES</b>	<b>31,011</b>	<b>36,029</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,489</b>	<b>(14,624)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	50,680	19,002
Operating transfers out	(10,602)	(8,740)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>40,078</b>	<b>10,262</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>49,567</b>	<b>(4,362)</b>
Fund balances - beginning of year	49,762	54,125
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 99,329</b>	<b>\$ 49,762</b>

## General Fund

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

For the years ended June 30, 2000 and 1999

(Amounts expressed in thousands)

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ 10,375	\$ 4,813	\$ (5,562)	\$ 9,762	\$ 972	\$ (8,790)
Investment income	1,500	3,123	1,623	-	3,173	3,173
Net appreciation (decline) in fair value of investments	-	(27)	(27)	73	(701)	(774)
Lease and rental	10,500	12,610	2,110	9,325	8,634	(691)
Licenses and fines	452	477	25	40	429	389
Proceeds from sales and leaseback	-	16,610	16,610	-	-	-
Other revenue	915	2,894	1,979	2,047	8,898	6,851
<b>TOTAL REVENUES</b>	<b>23,742</b>	<b>40,500</b>	<b>16,758</b>	<b>21,247</b>	<b>21,405</b>	<b>158</b>
<b>EXPENDITURES:</b>						
Administration and other	59,241	27,045	32,196	16,090	31,271	(15,181)
Transportation subsidies	7,455	3,966	3,489	18,318	4,758	13,560
<b>TOTAL EXPENDITURES</b>	<b>66,696</b>	<b>31,011</b>	<b>35,685</b>	<b>34,408</b>	<b>36,029</b>	<b>(1,621)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(42,954)</b>	<b>9,489</b>	<b>52,443</b>	<b>(13,161)</b>	<b>(14,624)</b>	<b>(1,463)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	44,735	50,680	5,945	51,451	19,002	(32,449)
Operating transfers out	(5,102)	(10,602)	(5,500)	(1,418)	(8,740)	(7,322)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>39,633</b>	<b>40,078</b>	<b>445</b>	<b>50,033</b>	<b>10,262</b>	<b>(39,771)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(3,321)</b>	<b>49,567</b>	<b>52,888</b>	<b>36,872</b>	<b>(4,363)</b>	<b>(41,235)</b>
Fund balances - beginning of year	49,762	49,762	-	54,125	54,125	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 46,441</b>	<b>\$ 99,329</b>	<b>\$ 52,888</b>	<b>\$ 90,997</b>	<b>\$ 49,762</b>	<b>\$ (41,235)</b>

## Special Revenue Funds

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**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.**

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**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.

**Congestion Mitigation and Air Quality (CMAQ)** - This fund is used to account for monies received that are legally restricted. **Transportation Service Management (TSM)** - This fund is for user incentives and disincentives to maximize capacity and usage of the existing transportation networks.

**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.

**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 TCI** - 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, 2000  
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	CMAQ TSM	Service Authority For Fwy Emergency	Transportation Development Act
<b>ASSETS</b>						
Cash and cash equivalents	\$ 90,880	\$ 238,366	\$ 11,887	\$ 27	\$ 22,924	\$ 134,657
Receivables:						
Intergovernmental	190	407	-	-	-	-
Sales tax	37,907	37,824	7,589	-	-	4,226
Interest	1,359	2,941	-	-	280	-
Leases and other	-	-	-	-	-	-
Advances to other funds	6,000	16,898	-	-	-	-
Prepaid items and other assets	-	41,702	-	3,634	-	-
<b>TOTAL ASSETS</b>	<u>\$ 136,336</u>	<u>\$ 338,138</u>	<u>\$ 19,476</u>	<u>\$ 3,661</u>	<u>\$ 23,204</u>	<u>\$ 138,883</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 10,774	\$ 27,435	\$ 418	\$ -	\$ 1,105	\$ -
Advances from other funds	-	-	-	3,634	-	2,573
Due to other governments	-	168	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>10,774</u>	<u>27,603</u>	<u>418</u>	<u>3,634</u>	<u>1,105</u>	<u>2,573</u>
<b>FUND BALANCES:</b>						
Reserved for memoranda of understanding	43,185 ✓	624,253 ✓	-	-	2,482 ✓	137 ✓
Reserved for prepaid and other assets	-	41,702	-	3,634	-	-
Reserved for interfund receivable	6,000	16,898	-	-	-	-
Designated for transportation improvements	76,377	-	19,058	-	19,617	136,173
Unreserved, undesignated	-	(372,318)	-	(3,607)	-	-
<b>TOTAL FUND BALANCE</b>	<u>125,562</u>	<u>310,535</u>	<u>19,058</u>	<u>27</u>	<u>22,099</u>	<u>136,310</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 136,336</u>	<u>\$ 338,138</u>	<u>\$ 19,476</u>	<u>\$ 3,661</u>	<u>\$ 23,204</u>	<u>\$ 138,883</u>

Exhibit B-1

<u>PVEA</u>	<u>Port Highway Improvement Match</u>	<u>Budget Change Proposal</u>	<u>FEMA Earthquake Reimb.</u>	<u>Federal Board of Education</u>	<u>Total</u>
\$ 410	\$ -	\$ 44	\$ 438	\$ 246	\$ 499,879
-	-	-	6,371	-	6,968
-	-	-	-	-	87,546
4	-	9	-	-	4,593
-	-	-	2,026	-	2,026
-	-	-	1,779	-	24,677
-	-	-	-	-	45,336
<u>\$ 414</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 10,614</u>	<u>\$ 246</u>	<u>\$ 671,025</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,732
-	-	-	7,014	-	13,221
-	-	-	-	-	168
-	-	-	7,014	-	53,121
-	-	-	-	-	670,057
-	-	-	-	-	45,336
-	-	-	1,779	-	24,677
414	-	53	1,821	246	253,759
-	-	-	-	-	(375,925)
<u>414</u>	<u>-</u>	<u>53</u>	<u>3,600</u>	<u>246</u>	<u>617,904</u>
<u>\$ 414</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 10,614</u>	<u>\$ 246</u>	<u>\$ 671,025</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, 2000  
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	CMAQ TSM	Service Authority For Fwy Emergency
<b>REVENUES:</b>					
Sales tax	\$ 504,353	\$ 505,949	\$ 23,585	\$ -	\$ -
Intergovernmental	-	42,450	-	30	-
Investment income	7,154	16,897	1,213	-	1,424
Net appreciation (decline) in fair value of investments	(1,098)	(2,004)	-	-	(188)
Licenses and fines	-	-	-	-	7,213
Other	-	3,208	-	-	50
<b>TOTAL REVENUES</b>	<b>510,409</b>	<b>566,500</b>	<b>24,798</b>	<b>30</b>	<b>8,499</b>
<b>EXPENDITURES:</b>					
Administration and other	-	38,279	-	-	7,518
Transportation subsidies	174,548	328,626	2,083	-	-
<b>TOTAL EXPENDITURES</b>	<b>174,548</b>	<b>366,905</b>	<b>2,083</b>	<b>-</b>	<b>7,518</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>335,861</b>	<b>199,595</b>	<b>22,715</b>	<b>30</b>	<b>981</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	3,960	130,666	-	-	-
Operating transfers out	(314,196)	(333,199)	(19,748)	(2)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(310,236)</b>	<b>(202,533)</b>	<b>(19,748)</b>	<b>(2)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>25,625</b>	<b>(2,938)</b>	<b>2,967</b>	<b>28</b>	<b>981</b>
Fund (deficit) balance - beginning of year	99,937	313,473	16,091	(1)	21,118
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 125,562</b>	<b>\$ 310,535</b>	<b>\$ 19,058</b>	<b>\$ 27</b>	<b>\$ 22,099</b>

Transportation Development Act	PVEA	Port Highway Improvement Match	Budget Change Proposal	FEMA Earthquake Reimb.	Federal Board of Education	Total
\$ 256,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,290,122
30	84	-	5,157	1,111	-	48,862
5,860	23	-	36	-	-	32,607
-	(3)	33	16	-	-	(3,244)
-	-	-	-	-	-	7,213
1,656	-	887	-	25	-	5,826
<u>263,781</u>	<u>104</u>	<u>920</u>	<u>5,209</u>	<u>1,136</u>	<u>-</u>	<u>1,381,386</u>
-	-	-	-	66	-	45,863
67,368	-	100	-	-	-	572,725
<u>67,368</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>66</u>	<u>-</u>	<u>618,588</u>
<u>196,413</u>	<u>104</u>	<u>820</u>	<u>5,209</u>	<u>1,070</u>	<u>-</u>	<u>762,798</u>
1,274	-	-	-	-	-	135,900
(178,511)	(67)	-	(5,250)	(1,111)	(5,033)	(857,117)
<u>(177,237)</u>	<u>(67)</u>	<u>-</u>	<u>(5,250)</u>	<u>(1,111)</u>	<u>(5,033)</u>	<u>(721,217)</u>
19,176	37	820	(41)	(41)	(5,033)	41,581
117,134	377	(820)	94	3,641	5,279	576,323
<u>\$ 136,310</u>	<u>\$ 414</u>	<u>\$ -</u>	<u>\$ 53</u>	<u>\$ 3,600</u>	<u>\$ 246</u>	<u>617,904</u>



Los Angeles County Metropolitan Transportation Authority  
 Proposition A Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-3

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 90,880	\$ 83,320
Receivables:		
Intergovernmental	190	-
Sales tax	37,907	25,336
Interest	1,359	358
Leases and other	-	1
Advances to other funds	6,000	6,000
<b>TOTAL ASSETS</b>	<u><u>\$ 136,336</u></u>	<u><u>\$ 115,015</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 10,774	\$ 15,078
<b>TOTAL LIABILITIES</b>	<u>10,774</u>	<u>15,078</u>
<b>FUND BALANCES:</b>		
Reserved for memoranda of understanding	43,185	42,452
Reserved for interfund receivables	6,000	-
Designated for transportation improvements	76,377	57,485
<b>TOTAL FUND BALANCES</b>	<u>125,562</u>	<u>99,937</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 136,336</u></u>	<u><u>\$ 115,015</u></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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-4

	2000	1999
<b>REVENUES:</b>		
Sales tax	\$ 504,353	\$ 449,054
Investment income	7,154	5,498
Net appreciation (decline) in fair value of investments	(1,098)	(479)
<b>TOTAL REVENUES</b>	<u>510,409</u>	<u>454,073</u>
<b>EXPENDITURES:</b>		
Transportation subsidies	174,548	151,921
<b>TOTAL EXPENDITURES</b>	<u>174,548</u>	<u>151,921</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>335,861</u>	<u>302,152</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	3,960	1,923
Operating transfers out	(314,196)	(291,226)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(310,236)</u>	<u>(289,303)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	25,625	12,849
Fund balances - beginning of year	99,937	87,088
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 125,562</u>	<u>\$ 99,937</u>

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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-4A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ 476,177	\$ 504,353	\$ 28,176	\$ 449,695	\$ 449,054	\$ (641)
Investment income	3,300	7,154	3,854	3,400	5,498	2,098
Net appreciation (decline) in fair value of investments	-	(1,098)	(1,098)	-	(479)	(479)
<b>TOTAL REVENUES</b>	<b>479,477</b>	<b>510,409</b>	<b>30,932</b>	<b>453,095</b>	<b>454,073</b>	<b>978</b>
<b>EXPENDITURES:</b>						
Transportation subsidies	171,642	174,548	(2,906)	180,106	151,921	28,185
<b>TOTAL EXPENDITURES</b>	<b>171,642</b>	<b>174,548</b>	<b>(2,906)</b>	<b>180,106</b>	<b>151,921</b>	<b>28,185</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>307,835</b>	<b>335,861</b>	<b>28,026</b>	<b>272,989</b>	<b>302,152</b>	<b>29,163</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	3,960	3,960	900	1,923	1,023
Operating transfers out	(317,700)	(314,196)	3,504	(283,504)	(291,226)	(7,722)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>(317,700)</b>	<b>(310,236)</b>	<b>7,464</b>	<b>(282,604)</b>	<b>(289,303)</b>	<b>(6,699)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(9,865)</b>	<b>25,625</b>	<b>35,490</b>	<b>(9,615)</b>	<b>12,849</b>	<b>22,464</b>
Fund balances - beginning of year	99,937	99,937	-	87,088	87,088	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 90,072</b>	<b>\$ 125,562</b>	<b>\$ 35,490</b>	<b>\$ 77,473</b>	<b>\$ 99,937</b>	<b>\$ 22,464</b>

Los Angeles County Metropolitan Transportation Authority  
 Proposition C Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-5

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 238,366	\$ 165,401
Receivables:		
Intergovernmental	407	34,972
Sales tax	37,824	25,818
Interest	2,941	1,206
Advances to other funds	16,898	130,748
Prepaid items and other assets	41,702	-
<b>TOTAL ASSETS</b>	<u>\$ 338,138</u>	<u>\$ 358,145</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 27,435	\$ 24,024
Accrued liabilities	-	19,973
Due to other governments	168	675
<b>TOTAL LIABILITIES</b>	<u>27,603</u>	<u>44,672</u>
<b>FUND BALANCES (DEFICITS):</b>		
Reserved for memoranda of understanding	624,253	366,231
Reserved for interfund receivable	16,898	-
Reserved for prepaid items and other assets	41,702	-
Unreserved, undesignated	(372,318)	(52,758)
<b>TOTAL FUND BALANCES</b>	<u>310,535</u>	<u>313,473</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 338,138</u>	<u>\$ 358,145</u>

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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-6

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Sales tax	\$ 505,949	\$ 452,232
Intergovernmental	42,450	37,141
Investment income	16,897	15,792
Net appreciation (decline) in fair value of investments	(2,004)	(1,460)
Other	3,208	933
<b>TOTAL REVENUES</b>	<u>566,500</u>	<u>504,638</u>
<b>EXPENDITURES:</b>		
Administration and other	38,279	35,258
Transportation subsidies	328,626	246,341
<b>TOTAL EXPENDITURES</b>	<u>366,905</u>	<u>281,599</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>199,595</u>	<u>223,039</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	130,666	39,978
Operating transfers out	(333,199)	(206,831)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(202,533)</u>	<u>(166,853)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(2,938)</u>	<u>56,186</u>
Fund balances - beginning of year	313,473	257,287
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 310,535</u>	<u>\$ 313,473</u>

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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-6A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ 479,940	\$ 505,949	\$ 26,009	\$ 452,089	\$ 452,232	\$ 143
Intergovernmental	39,800	42,450	2,650	-	37,141	37,141
Investment income	8,027	16,897	8,870	7,835	15,792	7,957
Net appreciation (decline) in fair value of investments	-	(2,004)	(2,004)	-	(1,460)	(1,460)
Other	-	3,208	3,208	-	933	933
<b>TOTAL REVENUES</b>	<b>527,767</b>	<b>566,500</b>	<b>38,733</b>	<b>459,924</b>	<b>504,638</b>	<b>44,714</b>
<b>EXPENDITURES:</b>						
Administration and other	11,809	38,279	(26,470)	8,441	35,258	(26,817)
Transportation subsidies	464,319	328,626	135,693	261,019	246,341	14,678
<b>TOTAL EXPENDITURES</b>	<b>476,128</b>	<b>366,905</b>	<b>109,223</b>	<b>269,460</b>	<b>281,599</b>	<b>(12,139)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>51,639</b>	<b>199,595</b>	<b>147,956</b>	<b>190,464</b>	<b>223,039</b>	<b>32,575</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	109,775	130,666	20,891	295,359	39,978	(255,381)
Operating transfers out	(256,600)	(333,199)	(76,599)	(231,193)	(206,831)	24,362
Proceeds from financing	43,300	-	(43,300)	-	-	-
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>(103,525)</b>	<b>(202,533)</b>	<b>(99,008)</b>	<b>64,166</b>	<b>(166,853)</b>	<b>(231,019)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(51,886)</b>	<b>(2,938)</b>	<b>48,948</b>	<b>254,630</b>	<b>56,186</b>	<b>(198,444)</b>
Fund balances - beginning of year	313,473	313,473	-	257,287	257,287	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 261,587</b>	<b>\$ 310,535</b>	<b>\$ 48,948</b>	<b>\$ 511,917</b>	<b>\$ 313,473</b>	<b>\$ (198,444)</b>

Los Angeles County Metropolitan Transportation Authority  
 State Transit Assistance Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-7

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,887	\$ 8,962
Receivables:		
Sales tax	7,589	7,416
Interest	-	76
<b>TOTAL ASSETS</b>	<u>\$ 19,476</u>	<u>\$ 16,454</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 418	\$ 363
<b>TOTAL LIABILITIES</b>	<u>418</u>	<u>363</u>
 <b>FUND BALANCES:</b>		
Designated for transportation improvements	19,058	16,091
<b>TOTAL FUND BALANCES</b>	<u>19,058</u>	<u>16,091</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 19,476</u>	<u>\$ 16,454</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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-8

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Sales tax	\$ 23,585	\$ 37,082
Investment income	1,213	902
<b>TOTAL REVENUES</b>	<u>24,798</u>	<u>37,984</u>
<b>EXPENDITURES:</b>		
Transportation subsidies	2,083	2,879
<b>TOTAL EXPENDITURES</b>	<u>2,083</u>	<u>2,879</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>22,715</u>	<u>35,105</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers out	(19,748)	(36,761)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(19,748)</u>	<u>(36,761)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	2,967	(1,656)
Fund balances - beginning of year	16,091	17,747
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 19,058</u>	<u>\$ 16,091</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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-8A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ 31,044	\$ 23,585	\$ (7,459)	\$ 31,044	\$ 37,082	\$ 6,038
Investment income	400	1,213	813	310	902	592
<b>TOTAL REVENUES</b>	<u>31,444</u>	<u>24,798</u>	<u>(6,646)</u>	<u>31,354</u>	<u>37,984</u>	<u>6,630</u>
<b>EXPENDITURES:</b>						
Transportation subsidies	4,216	2,083	2,133	3,245	2,879	366
<b>TOTAL EXPENDITURES</b>	<u>4,216</u>	<u>2,083</u>	<u>2,133</u>	<u>3,245</u>	<u>2,879</u>	<u>366</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>27,228</u>	<u>22,715</u>	<u>(4,513)</u>	<u>28,109</u>	<u>35,105</u>	<u>6,996</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	(20,649)	-	20,649
Operating transfers out	(27,228)	(19,748)	7,480	-	(36,761)	(36,761)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(27,228)</u>	<u>(19,748)</u>	<u>7,480</u>	<u>(20,649)</u>	<u>(36,761)</u>	<u>(16,112)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>-</u>	<u>2,967</u>	<u>2,967</u>	<u>7,460</u>	<u>(1,656)</u>	<u>(9,116)</u>
Fund balances - beginning of year	16,091	16,091	-	17,747	17,747	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 16,091</u>	<u>\$ 19,058</u>	<u>\$ 2,967</u>	<u>\$ 25,207</u>	<u>\$ 16,091</u>	<u>\$ (9,116)</u>

Los Angeles County Metropolitan Transportation Authority  
 CMAQ & TSM Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-9

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 27	\$ -
Receivables:		
Intergovernmental	-	21,586
Prepaid items and other assets	3,634	-
<b>TOTAL ASSETS</b>	<u>\$ 3,661</u>	<u>\$ 21,586</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LAIBILITIES:</b>		
Advances from other funds	\$ 3,634	\$ 21,587
<b>TOTAL LIABILITIES</b>	<u>3,634</u>	<u>21,587</u>
<b>FUND BALANCES (DEFICITS):</b>		
Reserved for prepaid items and other assets	3,634	-
Unreserved, undesignated	(3,607)	(1)
<b>TOTAL FUND (DEFICIT) BALANCES</b>	<u>27</u>	<u>(1)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,661</u>	<u>\$ 21,586</u>
Designated for transportation improvements		

Los Angeles County Metropolitan Transportation Authority  
 CMAQ & TSM Special Revenue Fund  
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-10

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Intergovernmental	\$ 30	\$ 50,005
<b>TOTAL REVENUES</b>	<u>30</u>	<u>50,005</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>30</u>	<u>50,005</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	-	2,922
Operating transfers out	(2)	(50,005)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(2)</u>	<u>(47,083)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>28</u>	<u>2,922</u>
Fund (deficit) balances - beginning of year	(1)	(2,923)
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 27</u>	<u>\$ (1)</u>

Los Angeles County Metropolitan Transportation Authority  
 CMAQ & TSM Special Revenue Fund  
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-10A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ 30	\$ 30	\$ 63,339	\$ 50,005	\$ (13,334)
<b>TOTAL REVENUES</b>	-	30	30	63,339	50,005	(13,334)
<b>TOTAL EXPENDITURES</b>	-	-	-	-	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	30	30	63,339	50,005	(13,334)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	-	2,922	2,922
Operating transfers out	-	(2)	(2)	(45,183)	(50,005)	(4,822)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	-	(2)	(2)	(45,183)	(47,083)	(1,900)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	-	28	28	18,156	2,922	(15,234)
Fund (deficit) balances - beginning of year	(162)	(1)	161	(2,923)	(2,923)	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (162)</u>	<u>\$ 27</u>	<u>\$ 189</u>	<u>\$ 15,233</u>	<u>\$ (1)</u>	<u>\$ (15,234)</u>

Los Angeles County Metropolitan Transportation Authority  
Service Authority For Freeway Emergency Special Revenue Fund  
Comparative Balance Sheets  
June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-11

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 22,924	\$ 22,700
Interest receivable	280	109
<b>TOTAL ASSETS</b>	<u>\$ 23,204</u>	<u>\$ 22,809</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 1,105	\$ 1,019
Accrued liabilities	-	672
<b>TOTAL LIABILITIES</b>	<u>1,105</u>	<u>1,691</u>
<b>FUND BALANCES:</b>		
Reserved for memoranda of understanding	2,482	7,623
Designated for transportation improvements	19,617	13,495
<b>TOTAL FUND BALANCES</b>	<u>22,099</u>	<u>21,118</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,204</u>	<u>\$ 22,809</u>

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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-12

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Investment income	\$ 1,424	\$ 1,450
Net appreciation (decline) in fair value of investments	(188)	(121)
Licenses and fines	7,213	6,415
Other	50	-
<b>TOTAL REVENUES</b>	<u>8,499</u>	<u>7,744</u>
<b>EXPENDITURES:</b>		
Administration and other	7,518	652
Transportation subsidies	-	7,873
<b>TOTAL EXPENDITURES</b>	<u>7,518</u>	<u>8,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>981</u>	<u>(781)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	981	(781)
Fund balances - beginning of year	21,118	21,899
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 22,099</u>	<u>\$ 21,118</u>

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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-12A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Investment income	\$ -	\$ 1,424	\$ 1,424	\$ -	\$ 1,450	\$ 1,450
Net appreciation (decline) in fair value of investments	-	(188)	(188)	-	(121)	(121)
Licenses and fines	6,000	7,213	1,213	6,000	6,415	415
Other	-	50	50	-	-	-
<b>TOTAL REVENUES</b>	<b>6,000</b>	<b>8,499</b>	<b>2,499</b>	<b>6,000</b>	<b>7,744</b>	<b>1,744</b>
<b>EXPENDITURES:</b>						
Current:						
Administration and other	100	7,518	(7,418)	1,098	652	446
Transportation subsidies	12,900	-	12,900	15,147	7,873	7,274
<b>TOTAL EXPENDITURES</b>	<b>13,000</b>	<b>7,518</b>	<b>5,482</b>	<b>16,245</b>	<b>8,525</b>	<b>7,720</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>	<b>(7,000)</b>	<b>981</b>	<b>7,981</b>	<b>(10,245)</b>	<b>(781)</b>	<b>9,464</b>
Other financing Sources (Uses):						
Operating transfers in	-	-	-	(8,744)	-	8,744
Total other financing and sources (uses)	-	-	-	(8,744)	-	8,744
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(7,000)</b>	<b>981</b>	<b>7,981</b>	<b>(18,989)</b>	<b>(781)</b>	<b>18,208</b>
Fund balances - beginning of year	21,118	21,118	-	21,899	21,899	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 14,118</b>	<b>\$ 22,099</b>	<b>\$ 7,981</b>	<b>\$ 2,910</b>	<b>\$ 21,118</b>	<b>\$ 18,208</b>

Los Angeles County Metropolitan Transportation Authority  
 Transportation Development Act Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-13

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 134,657	\$ 108,851
Receivables:		
Sales tax	4,226	-
Interest	-	509
Advances to other funds	-	10,697
<b>TOTAL ASSETS</b>	<u>\$ 138,883</u>	<u>\$ 120,057</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ -	\$ 83
Accrued liabilities	-	154
Advances from other funds	2,573	2,686
<b>TOTAL LIABILITIES</b>	<u>2,573</u>	<u>2,923</u>
 <b>FUND BALANCES:</b>		
Reserved for memoranda of understanding	137	99,424
Reserved for interfund receivable	-	10,697
Designated for transportation improvements	136,173	7,013
<b>TOTAL FUND BALANCES</b>	<u>136,310</u>	<u>117,134</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 138,883</u>	<u>\$ 120,057</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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-14

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Sales tax	\$ 256,235	\$ 229,274
Intergovernmental	30	799
Investment income	5,860	6,226
Other	1,656	764
<b>TOTAL REVENUES</b>	<u>263,781</u>	<u>237,063</u>
<b>EXPENDITURES:</b>		
Transportation subsidies	67,368	65,512
<b>TOTAL EXPENDITURES</b>	<u>67,368</u>	<u>65,512</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>196,413</u>	<u>171,551</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	1,274	29,522
Operating transfers out	(178,511)	(192,676)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(177,237)</u>	<u>(163,154)</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	19,176	8,397
Fund balance - beginning of year	117,134	108,737
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 136,310</u>	<u>\$ 117,134</u>

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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-14A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ 241,042	\$ 256,235	\$ 15,193	\$ 228,667	\$ 229,274	\$ 607
Intergovernmental	-	30	30	-	799	799
Investment income	4,000	5,860	1,860	7,500	6,226	(1,274)
Other	-	1,656	1,656	-	764	764
<b>TOTAL REVENUES</b>	<b>245,042</b>	<b>263,781</b>	<b>18,739</b>	<b>236,167</b>	<b>237,063</b>	<b>896</b>
<b>EXPENDITURES:</b>						
Transportation subsidies	72,294	67,368	4,926	86,159	65,512	20,647
<b>TOTAL EXPENDITURES</b>	<b>72,294</b>	<b>67,368</b>	<b>4,926</b>	<b>86,159</b>	<b>65,512</b>	<b>20,647</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>172,748</b>	<b>196,413</b>	<b>23,665</b>	<b>150,008</b>	<b>171,551</b>	<b>21,543</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	1,274	1,274	-	29,522	29,522
Operating transfers out	(188,200)	(178,511)	9,689	(187,264)	(192,676)	(5,412)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>(188,200)</b>	<b>(177,237)</b>	<b>10,963</b>	<b>(187,264)</b>	<b>(163,154)</b>	<b>24,110</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(15,452)</b>	<b>19,176</b>	<b>34,628</b>	<b>(37,256)</b>	<b>8,397</b>	<b>45,653</b>
Fund balance - beginning of year	117,134	117,134	-	108,737	108,737	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 101,682</b>	<b>\$ 136,310</b>	<b>\$ 34,628</b>	<b>\$ 71,481</b>	<b>\$ 117,134</b>	<b>\$ 45,653</b>

Los Angeles County Metropolitan Transportation Authority  
PVEA Special Revenue Fund  
Comparative Balance Sheets  
June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-15

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 410	\$ 377
Receivables:		
Interest	4	2
Advances to other funds	-	(2)
<b>TOTAL ASSETS</b>	<u>\$ 414</u>	<u>\$ 377</u>
 <b>FUND BALANCES:</b>		
Designated for transportation improvements	\$ 414	\$ 377
<b>TOTAL FUND BALANCES</b>	<u>414</u>	<u>377</u>
 <b>TOTAL FUND BALANCES</b>	<u>\$ 414</u>	<u>\$ 377</u>

Los Angeles County Metropolitan Transportation Authority  
PVEA Special Revenue Fund  
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-16

	2000	1999
<b>REVENUES:</b>		
Intergovernmental	\$ 84	\$ 133
Investment Income	23	17
Net appreciation (decline) in fair value of investments	(3)	(2)
<b>TOTAL REVENUES</b>	<u>104</u>	<u>148</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>104</u>	<u>148</u>
<b>OTHER FINANCING (USES):</b>		
Operating transfers out	(67)	-
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(67)</u>	<u>-</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>37</u>	<u>148</u>
Fund balances - beginning of year	377	229
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 414</u>	<u>\$ 377</u>

Los Angeles County Metropolitan Transportation Authority  
PVEA Special Revenue Fund  
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the years ended June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-16A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ 84	\$ 84	\$ 1,234	\$ 133	\$ (1,101)
Investment Income	-	23	23	-	17	17
Net appreciation (decline) in fair value of investments	-	(3)	(3)	-	(2)	(2)
<b>TOTAL REVENUES</b>	<b>-</b>	<b>104</b>	<b>104</b>	<b>1,234</b>	<b>148</b>	<b>(1,086)</b>
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>104</b>	<b>104</b>	<b>1,234</b>	<b>148</b>	<b>(1,086)</b>
<b>OTHER FINANCING (USES):</b>						
Operating transfers in	-	-	-	100	-	(100)
Operating transfers out	(300)	(67)	233	(1,102)	-	1,102
<b>TOTAL OTHER FINANCING (USES)</b>	<b>(300)</b>	<b>(67)</b>	<b>233</b>	<b>(1,002)</b>	<b>-</b>	<b>1,002</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(300)</b>	<b>37</b>	<b>337</b>	<b>232</b>	<b>148</b>	<b>(84)</b>
Fund balances - beginning of year	377	377	-	229	229	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 77</b>	<b>\$ 414</b>	<b>\$ 337</b>	<b>\$ 461</b>	<b>\$ 377</b>	<b>\$ (84)</b>

Los Angeles County Metropolitan Transportation Authority  
 Port Highway Improvement Match Special Revenue Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-17

	2000	1999
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 6,904
Interest receivable	-	34
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 6,938</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ -	\$ 7,758
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>7,758</u>
 <b>FUND BALANCES:</b>		
Designated for transportation improvements	-	(820)
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>(820)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 6,938</u>

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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-18

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Investment income	\$ -	\$ 499
Net appreciation (decline) in fair value of investments	33	(39)
Other	887	-
<b>TOTAL REVENUES</b>	<u>920</u>	<u>460</u>
<b>EXPENDITURES:</b>		
Transportation subsidies	100	11,959
<b>TOTAL EXPENDITURES</b>	<u>100</u>	<u>11,959</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>820</u>	<u>(11,499)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	820	(11,499)
Fund balances - beginning of year	(820)	10,679
<b>FUND (DEFICIT) BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ (820)</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, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit B-18A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,691	\$ -	\$ (2,691)
Investment income	-	-	-	-	499	499
Net appreciation (decline) in fair value of investments	-	33	33	-	(39)	(39)
Other	880	887	7	216	-	(216)
<b>TOTAL REVENUES</b>	<b>880</b>	<b>920</b>	<b>40</b>	<b>2,907</b>	<b>460</b>	<b>(2,447)</b>
<b>EXPENDITURES:</b>						
Administration and other	1,800	-	1,800	-	-	-
Transportation subsidies	6,826	100	6,726	10,000	11,959	(1,959)
<b>TOTAL EXPENDITURES</b>	<b>8,626</b>	<b>100</b>	<b>8,526</b>	<b>10,000</b>	<b>11,959</b>	<b>(1,959)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,746)</b>	<b>820</b>	<b>8,566</b>	<b>(7,093)</b>	<b>(11,499)</b>	<b>(4,406)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	10,622	-	(10,622)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,622</b>	<b>-</b>	<b>(10,622)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(7,746)</b>	<b>820</b>	<b>8,566</b>	<b>3,529</b>	<b>(11,499)</b>	<b>(15,028)</b>
Fund balances - beginning of year	(820)	(820)	-	10,679	10,679	-
<b>FUND (DEFICIT) BALANCES - END OF YEAR</b>	<b>\$ (8,566)</b>	<b>\$ -</b>	<b>\$ 8,566</b>	<b>\$ 14,208</b>	<b>\$ (820)</b>	<b>\$ (15,028)</b>



**Los Angeles County Metropolitan Transportation Authority**  
**Budget Change Proposal Fund for Freeway Service State TCI Special Revenue Fund**  
**Comparative Balance Sheets**  
**June 30, 2000 and 1999**  
 (Amounts expressed in thousands)

Exhibit B-19

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 44	\$ 70
Interest receivable	9	24
<b>TOTAL ASSETS</b>	<u>\$ 53</u>	<u>\$ 94</u>
<b>FUND BALANCES</b>		
Designated for transportation improvements	\$ 53	\$ 94
<b>TOTAL FUND BALANCES</b>	<u>\$ 53</u>	<u>\$ 94</u>

Los Angeles County Metropolitan Transportation Authority  
 Budget Change Proposal Fund for Freeway Service State TCI Special Revenue Fund  
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-20

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Intergovernmental	\$ 5,157	\$ 4,544
Investment income	36	154
Net appreciation (decline) in fair value of investments	16	(26)
<b>TOTAL REVENUES</b>	<u>5,209</u>	<u>4,672</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>5,209</u>	<u>4,672</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers out	(5,250)	(5,000)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(5,250)</u>	<u>(5,000)</u>
<b>(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(41)	(328)
Fund balances - beginning of year	94	422
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 53</u>	<u>\$ 94</u>

Los Angeles County Metropolitan Transportation Authority  
 Budget Change Proposal Fund for Freeway Service State TCI Special Revenue Fund  
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-20A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ 5,544	\$ 5,157	\$ (387)	\$ 4,544	\$ 4,544	\$ -
Investment income	-	36	36	-	154	154
Net appreciation (decline) in fair value of investments	-	16	16	-	(26)	(26)
<b>TOTAL REVENUES</b>	<b>5,544</b>	<b>5,209</b>	<b>(335)</b>	<b>4,544</b>	<b>4,672</b>	<b>128</b>
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>5,544</b>	<b>5,209</b>	<b>(335)</b>	<b>4,544</b>	<b>4,672</b>	<b>128</b>
<b>OTHER FINANCEING SOURCES (USES):</b>						
Operating transfers in	500	-	(500)	-	-	-
Operating transfers out	(6,300)	(5,250)	1,050	-	(5,000)	(5,000)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>(5,800)</b>	<b>(5,250)</b>	<b>550</b>	<b>-</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(256)</b>	<b>(41)</b>	<b>215</b>	<b>4,544</b>	<b>(328)</b>	<b>(4,872)</b>
Fund balances - beginning of year	94	94	-	422	422	-
<b>FUND (DEFICIT) BALANCES - END OF YEAR</b>	<b>\$ (162)</b>	<b>\$ 53</b>	<b>\$ 215</b>	<b>\$ 4,966</b>	<b>\$ 94</b>	<b>\$ (4,872)</b>

**Los Angeles County Metropolitan Transportation Authority**  
**FEMA Earthquake Reimbursement Special Revenue Fund**  
**Comparative Balance Sheets**  
**June 30, 2000 and 1999**  
**(Amounts expressed in thousands)**

**Exhibit B-21**

	<u>2000</u>	<u>1999</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 438	\$ 286
Receivables:		
Intergovernmental	6,371	7,946
Leases and other	2,026	604
Advances to other funds	1,779	1,780
<b>TOTAL ASSETS</b>	<u><u>\$ 10,614</u></u>	<u><u>\$ 10,616</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Advances from other funds	\$ 7,014	\$ 6,975
<b>TOTAL LIABILITIES</b>	<u>7,014</u>	<u>6,975</u>
<b>FUND BALANCES:</b>		
Reserved for interfund receivable	1,779	-
Designated for transportation improvements	1,821	3,641
<b>TOTAL FUND BALANCES</b>	<u>3,600</u>	<u>3,641</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 10,614</u></u>	<u><u>\$ 10,616</u></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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-22

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Intergovernmental	\$ 1,111	\$ 333
Other	25	16
<b>TOTAL REVENUES</b>	<u>1,136</u>	<u>349</u>
<b>EXPENDITURES:</b>		
Administration and other	66	121
<b>TOTAL EXPENDITURES</b>	<u>66</u>	<u>121</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>1,070</u>	<u>228</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers out	(1,111)	(1,351)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>(1,111)</u>	<u>(1,351)</u>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(41)	(1,123)
Fund balances - beginning of year	3,641	4,764
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,600</u>	<u>\$ 3,641</u>

Los Angeles County Metropolitan Transportation Authority  
 FEMA Earthquake Reimbursement Special Revenue Fund  
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-22A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ -	\$ 1,111	\$ 1,111	\$ -	\$ 333	\$ 333
Other	-	25	25	-	16	16
<b>TOTAL REVENUES</b>	<u>-</u>	<u>1,136</u>	<u>1,136</u>	<u>-</u>	<u>349</u>	<u>349</u>
<b>EXPENDITURES:</b>						
Administration and other	67	66	1	85	121	(36)
<b>TOTAL EXPENDITURES</b>	<u>67</u>	<u>66</u>	<u>1</u>	<u>85</u>	<u>121</u>	<u>(36)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(67)</u>	<u>1,070</u>	<u>1,137</u>	<u>(85)</u>	<u>228</u>	<u>313</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers out	-	(1,111)	(1,111)	(384)	(1,351)	384
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>-</u>	<u>(1,111)</u>	<u>(1,111)</u>	<u>(384)</u>	<u>(1,351)</u>	<u>(967)</u>
<b>DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>(67)</u>	<u>(41)</u>	<u>26</u>	<u>(469)</u>	<u>(1,123)</u>	<u>(654)</u>
Fund balances - beginning of year	3,641	3,641	-	4,764	4,764	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,574</u>	<u>\$ 3,600</u>	<u>\$ 26</u>	<u>\$ 4,295</u>	<u>\$ 3,641</u>	<u>\$ (654)</u>

**Los Angeles County Metropolitan Transportation Authority**  
**Federal Board of Education Special Revenue Fund**  
**Comparative Balance Sheets**  
**June 30, 2000 and 1999**  
**(Amounts expressed in thousands)**

**Exhibit B-23**

	<b>2000</b>	<b>1999</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 246	\$ 5,279
<b>TOTAL ASSETS</b>	<u>\$ 246</u>	<u>\$ 5,279</u>
<b>FUND BALANCES</b>		
Designated for transportation improvements	\$ 246	\$ 5,279
<b>TOTAL FUND BALANCES</b>	<u>\$ 246</u>	<u>\$ 5,279</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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-24

	2000	1999
<b>TOTAL REVENUES</b>	-	-
<b>TOTAL EXPENDITURES</b>	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	-	372
Operating transfers out	(5,033)	-
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	(5,033)	372
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(5,033)	372
Fund balances - beginning of year	5,279	4,907
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 246</u>	<u>\$ 5,279</u>



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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit B-24A

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Sales tax	\$ -	\$ -	\$ -	\$ 300	\$ -	\$ (300)
<b>TOTAL REVENUES</b>	-	-	-	300	-	(300)
<b>TOTAL EXPENDITURES</b>	-	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	-	300	-	(300)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	-	372	372
Operating transfers out	-	(5,033)	(5,033)	(384)	-	384
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	-	(5,033)	(5,033)	(384)	372	756
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING</b>	-	(5,033)	(5,033)	(84)	372	456
Fund balances - beginning of year	5,279	5,279	-	4,907	4,907	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,279</u>	<u>\$ 246</u>	<u>\$ (5,033)</u>	<u>\$ 4,823</u>	<u>\$ 5,279</u>	<u>\$ 456</u>

## **Debt Service Fund**

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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.

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Los Angeles County Metropolitan Transportation Authority  
Debt Service Fund  
Comparative Balance Sheets  
June 30, 2000 and 1999  
(Amounts expressed in thousands)

Exhibit C-1

	2000	1999
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,381	\$ 4,120
Receivables:		
Interest	81	2,411
Leases and other	3,498	2,563
Restricted:		
Cash and cash equivalents	176,278	142,282
Investments	236,783	70,726
<b>TOTAL ASSETS</b>	<b>422,021</b>	<b>222,102</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 846	\$ 571
Accrued liabilities	-	235
Accrued interest payable	82,799	73,893
Bonds and notes payable - current	60,595	37,770
<b>TOTAL LIABILITIES</b>	<b>144,240</b>	<b>112,469</b>
<b>FUND BALANCES:</b>		
Reserved for debt service	277,781	109,633
<b>TOTAL FUND BALANCES</b>	<b>277,781</b>	<b>109,633</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 422,021</b>	<b>\$ 222,102</b>

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, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit C-2

	<u>2000</u>	<u>1999</u>
<b>REVENUES:</b>		
Intergovernmental	\$ 3,375	\$ 3,403
Investment income	8,746	10,851
Net appreciation (decline) in fair value of investments	17	(157)
Other	-	1,449
<b>TOTAL REVENUES</b>	<u>12,138</u>	<u>15,546</u>
<b>EXPENDITURES:</b>		
Interest and fiscal charges	186,437	169,011
Bond issuance costs	-	909
Bond principal & commercial paper retirement	66,135	130,757
Joint development expenditure	3,341	1,606
<b>TOTAL EXPENDITURES</b>	<u>255,913</u>	<u>302,283</u>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(243,775)</u>	<u>(286,737)</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating transfers in	246,598	194,725
Operating transfers out	(734)	(2,425)
Proceeds from financing	166,059	106,702
Proceeds of refunding bonds	-	330,700
Payment to refunding bond escrow agent	-	(342,806)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<u>411,923</u>	<u>286,896</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>168,148</u>	<u>159</u>
Fund balances - beginning of year	109,633	109,474
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 277,781</u>	<u>\$ 109,633</u>

Los Angeles County Metropolitan Transportation Authority  
Debt Service Fund

Exhibit C-2A

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the years ended June 30, 2000 and 1999  
(Amounts expressed in thousands)

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	2,522	3,375	853	2,611	3,403	792
Investment income	8,600	8,746	146	-	10,851	10,851
Net appreciation (decline) in fair value of investments	-	17	17	-	(157)	(157)
	-	-	-	-	1,449	1,449
<b>TOTAL REVENUES</b>	<b>11,122</b>	<b>12,138</b>	<b>1,016</b>	<b>2,611</b>	<b>15,546</b>	<b>12,935</b>
<b>EXPENDITURES:</b>						
Interest and fiscal charges	194,939	186,437	8,502	273,663	169,011	104,652
Bond issuance costs	-	-	-	-	909	(909)
Bond principal & commercial paper retirement	75,219	66,135	9,084	51,076	130,757	(79,681)
Joint development expenditure	5,701	3,341	2,360	-	1,606	(1,606)
<b>TOTAL EXPENDITURES</b>	<b>275,859</b>	<b>255,913</b>	<b>19,946</b>	<b>324,739</b>	<b>302,283</b>	<b>22,456</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(264,737)</b>	<b>(243,775)</b>	<b>20,962</b>	<b>(322,128)</b>	<b>(286,737)</b>	<b>35,391</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	250,145	246,598	(3,547)	247,333	194,725	(52,608)
Operating transfers out	-	(734)	(734)	-	(2,425)	(2,425)
Proceeds from financing	14,592	166,059	151,467	106,702	106,702	-
Proceeds of refunding bonds	-	-	-	-	330,700	330,700
Payment to refunding bond escrow agent	-	-	-	(25,000)	(342,806)	(317,806)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>264,737</b>	<b>411,923</b>	<b>147,186</b>	<b>329,035</b>	<b>286,896</b>	<b>(42,139)</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>-</b>	<b>168,148</b>	<b>168,148</b>	<b>6,907</b>	<b>159</b>	<b>(6,748)</b>
Fund balances - beginning of year	109,633	109,633	-	109,474	109,474	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 109,633</b>	<b>\$ 277,781</b>	<b>\$ 168,148</b>	<b>\$ 116,381</b>	<b>\$ 109,633</b>	<b>\$ (6,748)</b>

## **Capital Projects Fund**

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

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

Light Rail Fund - Pasadena and Greenline

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

Bus Capital and Other - Bus Acquisition, Facilities,  
other construction in progress

Los Angeles County Metropolitan Transportation Authority  
 Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2000  
 (Amounts expressed in thousands)

Exhibit D-1

	Light Rail	Metro Rail	SB 1995 Rail	Other Capital	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,972	\$ 53,131	\$ -	\$ 7,050	\$ 67,153
Investments	853	12,422	-	-	13,275
Receivables:					
Accounts	3,409	10,143	-	11,690	25,242
Intergovernmental	-	43,325	-	23,912	67,237
Leases and other	6,250	3,166	-	-	9,416
Prepaid items and other assets	-	892	-	-	892
Restricted:					
Cash and cash equivalents	-	34,448	-	-	34,448
Investments	-	3,443	-	-	3,443
<b>TOTAL ASSETS</b>	<b>\$ 17,484</b>	<b>\$ 160,970</b>	<b>\$ -</b>	<b>\$ 42,652</b>	<b>\$ 221,106</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 8,473	\$ 53,504	\$ -	\$ 37,724	\$ 99,701
Claims and judgment payable	2,135	18,870	-	-	21,005
Deferred revenues	6,250	33,535	-	-	39,785
Other liabilities	59	100	-	-	159
<b>TOTAL LIABILITIES</b>	<b>16,917</b>	<b>106,009</b>	<b>-</b>	<b>37,724</b>	<b>160,650</b>
<b>FUND BALANCES:</b>					
Reserved for encumbrances	143,990	186,030	-	54,375	384,395
Reserved for prepaid and other assets	-	891	-	-	891
Unreserved, undesignated	(143,423)	(131,960)	-	(49,447)	(324,830)
<b>TOTAL FUND BALANCES</b>	<b>567</b>	<b>54,961</b>	<b>-</b>	<b>4,928</b>	<b>60,456</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,484</b>	<b>\$ 160,970</b>	<b>\$ -</b>	<b>\$ 42,652</b>	<b>\$ 221,106</b>

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, 2000  
 (Amounts expressed in thousands)

Exhibit D-2

	Light Rail	Metro Rail	SB 1995 Rail	Bus Capital and Other	Total
<b>REVENUES:</b>					
Intergovernmental	\$ 3,513	\$ 37,359	\$ 85,203	\$ 170,841	\$ 296,916
Investment income	-	4,148	-	200	4,348
Net appreciation (decline) in fair value of investments	(199)	2,806	-	263	2,870
Other	1,382	-	-	7	1,389
<b>TOTAL REVENUES</b>	<b>4,696</b>	<b>44,313</b>	<b>85,203</b>	<b>171,311</b>	<b>305,523</b>
<b>EXPENDITURES:</b>					
Administration and other	4,137	16,888	6,759	10,948	38,732
Capital Outlay	31,458	100,683	92,002	176,899	401,042
<b>TOTAL EXPENDITURES</b>	<b>35,595</b>	<b>117,571</b>	<b>98,761</b>	<b>187,847</b>	<b>439,774</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(30,899)</b>	<b>(73,258)</b>	<b>(13,558)</b>	<b>(16,536)</b>	<b>(134,251)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	22,275	11,181	13,558	21,141	68,155
Operating transfers out	(45,205)	(58,538)	-	-	(103,743)
Proceeds from financing	40,000	175,960	-	-	215,960
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>17,070</b>	<b>128,603</b>	<b>13,558</b>	<b>21,141</b>	<b>180,372</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(13,829)</b>	<b>55,345</b>	<b>-</b>	<b>4,605</b>	<b>46,121</b>
Fund balances - beginning of year	14,396	(384)	-	323	14,335
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 567</b>	<b>\$ 54,961</b>	<b>\$ -</b>	<b>\$ 4,928</b>	<b>\$ 60,456</b>



## Capital Project Funds

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

For the years ended June 30, 2000 and 1999

(Amounts expressed in thousands)

	2000			1999		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>						
Intergovernmental	\$ 457,974	\$ 296,916	\$ (161,058)	\$ 550,305	\$ 224,792	\$ (325,513)
Investment income	-	4,348	4,348	-	5,178	5,178
Net appreciation (decline) in fair value of investments	-	2,870	2,870	-	5	5
Lease and rental	-	-	-	-	36	36
Other	1,200	1,389	189	3,650	4,471	821
<b>TOTAL REVENUES</b>	<b>459,174</b>	<b>305,523</b>	<b>(153,651)</b>	<b>553,955</b>	<b>234,482</b>	<b>(319,473)</b>
<b>EXPENDITURES:</b>						
Administration and other	48,866	38,732	10,134	50,415	35,010	15,405
Capital Outlay	553,261	401,042	152,219	557,453	374,289	183,164
<b>TOTAL EXPENDITURES</b>	<b>602,127</b>	<b>439,774</b>	<b>162,353</b>	<b>607,868</b>	<b>409,299</b>	<b>198,569</b>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(142,953)</b>	<b>(134,251)</b>	<b>8,702</b>	<b>(53,913)</b>	<b>(174,817)</b>	<b>(120,904)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	15,502	68,155	52,653	394,229	134,577	(259,652)
Operating transfers out	(166,184)	(103,743)	62,441	(349,909)	(149,716)	200,193
Proceeds from financing	268,784	215,960	(52,824)	200,556	193,443	(7,113)
<b>TOTAL OTHER FINANCING AND SOURCES (USES)</b>	<b>118,102</b>	<b>180,372</b>	<b>62,270</b>	<b>244,876</b>	<b>178,304</b>	<b>(66,572)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(24,851)</b>	<b>46,121</b>	<b>70,972</b>	<b>190,963</b>	<b>3,487</b>	<b>(187,476)</b>
Fund balances - beginning of year	14,335	14,335	-	10,848	10,848	-
<b>FUND BALANCES - END OF YEAR</b>	<b>(\$10,516)</b>	<b>\$60,456</b>	<b>\$70,972</b>	<b>\$201,811</b>	<b>\$14,335</b>	<b>(\$187,476)</b>

## **Enterprise Fund**

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The Enterprise Fund is used to account for operations which are financed and operated in 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 through user charges and shortfalls, from governmental subsidies.

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Bus operations

Heavy & Light Rail operations

Los Angeles County Metropolitan Transportation Authority  
 Enterprise Fund  
 Comparative Balance Sheets  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

	2000	1999
<b>ASSETS</b>		
Cash and cash equivalents	\$ 144,054	\$ 109,420
Receivables:		
Accounts	22,383	13,761
Intergovernmental	13,248	47,185
Interest	515	1,247
Leases and other	1,115	171
Advances to other funds	2,573	2,686
Inventory	56,519	52,865
Prepaid items and other assets	5,628	5,414
Restricted Assets:		
Cash and cash equivalents	39,211	50,414
Investments	107,312	123,393
Fixed Assets	5,848,049	4,592,172
<b>TOTAL ASSETS</b>	<b>\$ 6,240,607</b>	<b>\$ 4,998,728</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 31,209	\$ 30,715
Accrued liabilities	13,327	12,319
Claims and judgment payable	147,615	170,836
Advances from other funds	14,029	14,463
Accrued interest payable	5,594	6,163
Compensated absences payable	30,070	31,178
Bonds and notes payable - current	18,165	17,665
Deferred revenues	10,216	9,399
Post retirement benefits payable	72,090	70,004
Bonds and notes payable	156,455	174,620
<b>TOTAL LIABILITIES</b>	<b>498,770</b>	<b>537,362</b>
<b>EQUITY:</b>		
Retained earnings (deficit)	(75,806)	(89,094)
Capital grants (contributed capital)		
Federal	2,417,792	1,630,240
State	443,020	300,688
Local	2,956,831	2,619,532
<b>TOTAL EQUITY</b>	<b>5,741,837</b>	<b>4,461,366</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 6,240,607</b>	<b>\$ 4,998,728</b>

**Los Angeles County Metropolitan Transportation Authority**  
**Enterprise Fund**  
**Comparative Statement of Revenues, Expenses and**  
**Changes in Retained Earnings**  
**For the years ended June 30, 2000 and 1999**  
**(Amounts expressed in thousands)**

	<u>2000</u>	<u>1999</u>
<b>OPERATING REVENUES:</b>		
Passenger fares	\$ 233,436	\$ 228,854
Route subsidies	234	1,147
Auxiliary transportation	13,630	12,275
<b>TOTAL OPERATING REVENUES</b>	<u>247,300</u>	<u>242,276</u>
<b>OPERATING EXPENSES:</b>		
Transportation	493,961	475,280
Maintenance	259,656	214,710
General and administrative	34,444	125,274
Depreciation	225,762	159,210
<b>TOTAL OPERATING EXPENSES</b>	<u>1,013,823</u>	<u>974,474</u>
<b>OPERATING LOSS</b>	<u>766,523</u>	<u>732,198</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Local operating grants	1,251	1,488
Federal operating grants	85,379	55,845
Interest revenues	7,562	8,152
Net appreciation (decline) in fair value of investments	(771)	(550)
Interest expenses	(11,469)	(12,608)
Gain (loss) on disposition of fixed assets	(1,316)	(685)
Other revenue	2,550	5,536
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>83,186</u>	<u>57,178</u>
<b>LOSS BEFORE OPERATING TRANSFERS IN</b>	<u>683,337</u>	<u>675,020</u>
Operating transfers in	470,863	528,956
<b>LOSS FOR THE YEAR</b>	<u>212,474</u>	<u>146,064</u>
Add back depreciation on assets acquired with capital grants	225,762	159,210
<b>INCREASE (DECREASE) IN RETAINED EARNINGS</b>	<u>13,288</u>	<u>13,146</u>
Retained earnings (deficit) - beginning of year	(89,094)	(102,240)
<b>RETAINED EARNINGS (DEFICIT) - END OF YEAR</b>	<u>\$ (75,806)</u>	<u>\$ (89,094)</u>

Los Angeles County Metropolitan Transportation Authority  
 Enterprise Fund  
 Comparative Statement of Cash Flows  
 For the year ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

	2000	1999
Cash flow from operating activities:		
Operating loss	\$ (766,523)	\$ (732,198)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	225,762	159,210
Net effect of changes in:		
Accounts receivable	(8,622)	5,044
Leases and other receivables	(944)	(18)
Advances to other funds	112	109
Inventories	(3,654)	(1,479)
Prepaid items and other assets	(213)	(2,399)
Accounts payable	1,490	681
Accrued liabilities	816	12,105
Claims and judgment payable	(24,024)	134,415
Advances from other funds	(434)	(29,027)
Compensated absences payable	(1,108)	31,178
Deferred revenues	817	295
Post retirement benefits payable	2,085	70,004
Net cash used in operating activities	<u>(574,440)</u>	<u>(352,080)</u>
Cash flow from non-capital financing activities:		
Proceeds from operating grants	120,567	42,427
Operating transfers in from other funds	470,863	528,956
Proceeds from sale of miscellaneous obsolete parts and other	2,550	5,536
Net cash provided by non-capital financing activities	<u>593,980</u>	<u>576,919</u>
Cash flow from capital and related financing activities:		
Proceeds from capital grants received	9,865	9,865
Proceeds from disposition of fixed assets	125	-
Payment of matured bonds and notes payable	(17,665)	(9,865)
Interest paid on bonds and notes payable	(12,038)	(8,499)
Net cash used in capital and related financing activities	<u>(19,713)</u>	<u>(8,499)</u>
Cash flow from investing activities:		
Proceeds from sales and maturity of investments	145,872	124,458
Purchase of investments	(129,791)	(234,008)
Interest received on investments	7,523	6,696
Net cash provided by investing activities	<u>23,604</u>	<u>(102,854)</u>
Net increase in cash and cash equivalents	23,431	113,486
Cash and cash equivalents - beginning of year	<u>159,834</u>	<u>46,348</u>
Cash and cash equivalents - end of year	<u>\$ 183,265</u>	<u>\$ 159,834</u>
Supplemental schedule of noncash investing, capital and financing transactions:		
Transfer of fixed assets from General Fixed Assets Account Group	\$ 1,483,079	\$ 1,658,331
Transfer of bonds and notes payable from Internal Service Fund	-	133,100
Net (decline) in fair value of investments	(771)	(550)

## **Internal Service Fund**

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

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Los Angeles County Metropolitan Transportation Authority  
Internal Service Fund  
Comparative Balance Sheets  
June 30, 2000 and 1999  
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2000	1999
<b>ASSETS</b>					
Cash and cash equivalents	\$ 40,352	\$ 748	\$ 100	\$ 41,200	\$ 46,305
Receivables:					
Intergovernmental	1,951	21,848	7,205	31,004	22,347
Interest	1,045	-	-	1,045	378
Leases and others	196	194	-	390	1,124
Prepaid and other assets	54	-	3,700	3,754	69
Fixed assets, net	134,118	-	-	134,118	141,007
<b>TOTAL ASSETS</b>	<u>177,716</u>	<u>22,790</u>	<u>11,005</u>	<u>211,511</u>	<u>211,230</u>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 33,943	\$ 3,243	\$ 11,005	\$ 48,191	\$ 31,008
Accrued liabilities	9,355	1,877	-	11,232	20,857
Claims and judgement payable	-	822	-	822	1,626
Compensated absences payable	-	16,804	-	16,804	16,732
Other liabilities	300	44	-	344	-
<b>TOTAL LIABILITIES</b>	<u>43,598</u>	<u>22,790</u>	<u>11,005</u>	<u>77,393</u>	<u>70,223</u>
<b>CAPITAL GRANTS (CONTRIBUTED CAPITAL):</b>					
Local	134,118	-	-	134,118	141,007
<b>TOTAL EQUITY</b>	<u>134,118</u>	<u>-</u>	<u>-</u>	<u>134,118</u>	<u>141,007</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 177,716</u>	<u>\$ 22,790</u>	<u>\$ 11,005</u>	<u>\$ 211,511</u>	<u>\$ 211,230</u>

Los Angeles County Metropolitan Transportation Authority  
Internal Service Fund  
Comparative Statement of Revenues, Expenses and  
Changes in Retained Earnings  
For the years ended June 30, 2000 and 1999  
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2000	1999
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 298,082	\$ 133,429	\$ 42,362	\$ 473,873	\$ 459,371
<b>TOTAL OPERATING REVENUES</b>	<u>298,082</u>	<u>133,429</u>	<u>42,362</u>	<u>473,873</u>	<u>459,371</u>
<b>OPERATING EXPENSES:</b>					
Depreciation	6,889	-	-	6,889	6,889
Salaries and wages	115,451	97,548	-	212,999	183,615
Fringe benefits	147,570	35,197	42,362	225,129	227,176
Allocable costs	39,365	684	-	40,049	47,478
<b>TOTAL OPERATING EXPENSES</b>	<u>309,275</u>	<u>133,429</u>	<u>42,362</u>	<u>485,066</u>	<u>465,158</u>
<b>OPERATING LOSS</b>	<u>(11,193)</u>	<u>-</u>	<u>-</u>	<u>(11,193)</u>	<u>(5,787)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest revenues	4,402	-	-	4,402	6,150
Interest expenses	-	-	-	-	-
Net appreciation/(decline) in fair value of investments	(528)	-	-	(528)	(159)
Other	430	-	-	430	153
<b>TOTAL NON-OPERATING REVENUES (EXPEN</b>	<u>4,304</u>	<u>-</u>	<u>-</u>	<u>4,304</u>	<u>6,144</u>
<b>LOSS BEFORE OPERATING TRANSFERS OUT</b>	<u>(6,889)</u>	<u>-</u>	<u>-</u>	<u>(6,889)</u>	<u>357</u>
Operating transfers out	-	-	-	-	(7,246)
Net Operating transfers in/out	-	-	-	-	(7,246)
<b>LOSS FOR THE YEAR</b>	<u>(6,889)</u>	<u>-</u>	<u>-</u>	<u>(6,889)</u>	<u>(6,889)</u>
Add back depreciation on assets acquired with capital grants	<u>6,889</u>	<u>-</u>	<u>-</u>	<u>6,889</u>	<u>6,889</u>
<b>INCREASE (DECREASE) IN RETAINED EARNING</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained earnings (deficit) - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>RETAINED EARNINGS (DEFICIT) - END OF YEAR</b>	<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, 2000 and 1999  
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2000	1999
Cash flow from operating activities:					
Operating loss	\$ (11,193)	\$ -	\$ -	\$ (11,193)	\$ (5,787)
Adjustment to reconcile operating loss to net cash used in operating activities:					
Depreciation	6,889	-	-	6,889	6,889
Net effect of changes in:					
Intergovernmental receivable	803	(3,059)	(7,205)	(9,461)	2,732
Leases and other receivables	663	71	-	734	271
Interfund receivable	-	-	-	-	28,554
Prepaid items and other assets	15	-	(3,700)	(3,685)	3,398
Accounts payable	5,752	3,180	8,251	17,183	(1,836)
Accrued liabilities	(6,540)	(3,085)	-	(9,625)	(12,033)
Claims and judgment payable	-	-	-	-	(97,530)
Compensated absences payable	-	72	-	72	(35,500)
Other liabilities	300	44	-	344	(55,258)
Net cash used in operating activities	<u>(3,311)</u>	<u>(2,777)</u>	<u>(2,654)</u>	<u>(8,742)</u>	<u>(166,100)</u>
Cash flow from non-capital financing activities:					
Operating transfers out from other funds	-	-	-	-	(7,246)
Proceeds from sale of miscellaneous items	430	-	-	430	-
Net cash provided by non-capital financing activities	<u>430</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>(7,246)</u>
Cash flow from capital and related financing activities:					
Payment of matured bonds and notes payable	-	-	-	-	(7,400)
Interest paid on bonds and notes payable	-	-	-	-	(4,595)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,995)</u>
Cash flow from investing activities:					
Proceeds from sales and maturity of investments	-	-	-	-	53,944
Interest received on pooled cash and investments	3,207	-	-	3,207	5,760
Net cash provided by investing activities	<u>3,207</u>	<u>-</u>	<u>-</u>	<u>3,207</u>	<u>59,704</u>
Net increase (decrease) in cash and cash equivalents	326	(2,777)	(2,654)	(5,105)	(125,637)
Cash and cash equivalents - beginning of year	<u>40,026</u>	<u>3,525</u>	<u>2,754</u>	<u>46,305</u>	<u>171,942</u>
Cash and cash equivalents - end of year	<u>\$ 40,352</u>	<u>\$ 748</u>	<u>\$ 100</u>	<u>\$ 41,200</u>	<u>\$ 46,305</u>
Supplemental schedule of noncash investing, capital and financing transactions:					
Transfer of bonds and notes payable to Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ 133,100
Net (decline) in fair value of investments	(528)	-	-	(528)	(159)

## **Trust and Agency Funds**

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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.

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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 measurements focus.

Los Angeles County Metropolitan Transportation Authority  
Trust and Agency Funds  
Combining Balance Sheet  
June 30, 2000  
(Amounts expressed in thousands)

Exhibit G-1

	Pension Trust				Agency	Total
	United Transportation Union Retirement Trust	Transportation Communication Union Retirement Trust	Amalgamated Transportation Union Retirement Trust	Non-Contract Employee's Retirement Trust	Benefit Assessment District	
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:						
Interest	732	132	425	465	257	2,011
Leases and other	230	23	93	1,445	1,036	2,827
Restricted:						
Cash and cash equivalents	8	1	5	5	9,517	9,536
Investments	312,537	56,374	181,541	198,493	-	748,945
<b>TOTAL ASSETS</b>	<u>\$ 313,507</u>	<u>\$ 56,530</u>	<u>\$ 182,064</u>	<u>\$ 200,408</u>	<u>\$ 10,810</u>	<u>\$ 763,319</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 277	\$ 50	\$ 161	\$ 176	\$ 544	\$ 1,208
Accrued interest payable	-	-	-	-	2,836	2,836
Accrued bond principal payable	-	-	-	-	7,430	7,430
Liabilities for retirement income plan	30,125	5,355	17,372	18,946	-	71,798
<b>TOTAL LIABILITIES</b>	<u>30,402</u>	<u>5,405</u>	<u>17,533</u>	<u>19,122</u>	<u>10,810</u>	<u>83,272</u>
<b>FUND BALANCES:</b>						
Reserved for employee retirements	283,105	51,125	164,531	181,286	-	680,047
<b>TOTAL FUND BALANCES</b>	<u>283,105</u>	<u>51,125</u>	<u>164,531</u>	<u>181,286</u>	<u>-</u>	<u>680,047</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 313,507</u>	<u>\$ 56,530</u>	<u>\$ 182,064</u>	<u>\$ 200,408</u>	<u>\$ 10,810</u>	<u>\$ 763,319</u>

Los Angeles County Metropolitan Transportation Authority  
 Combining Statement of Changes in Plan NetAssets - Pension Trust Fund  
 For the years ended June 30, 2000 and 1999  
 (Amounts expressed in thousands)

Exhibit G-2

	United Transportation Union Plan	Transportation Communication Union Plan	Amalgamated Transportation Union Plan	Non-Contract Employees' Retirement Plan	Totals	
					2000	1999
<b>ADDITIONS</b>						
Contributions						
Employer	\$ 6,287	\$ 843	\$ 4,102	\$ 1,361	\$ 12,593	\$ 8,049
Member	10,576	1,016	4,332	-	15,924	14,354
Total contributions	16,863	1,859	8,434	1,361	28,517	22,403
From Investing Activities						
Net appreciation in fair value of investments	22,787	4,102	13,293	15,005	55,187	72,290
Investment income	4,412	782	2,514	2,790	10,498	16,425
Total investing activity income	27,199	4,884	15,807	17,795	65,685	88,715
Net investing activity income	-	-	-	-	-	(3,643)
Total net investment income	27,199	4,884	15,807	17,795	65,685	85,072
Transfers	(1,146)	(22)	(277)	1,445	-	-
<b>TOTAL ADDITIONS</b>	42,916	6,721	23,964	20,601	94,202	107,475
<b>DEDUCTIONS</b>						
Retiree benefits	(36,079)	(5,224)	(15,559)	(11,512)	(68,374)	(142,829)
Administrative expense	(309)	(136)	(227)	(210)	(882)	(1,041)
<b>TOTAL DEDUCTIONS</b>	(36,388)	(5,360)	(15,786)	(11,722)	(69,256)	(143,870)
<b>NET INCREASE (DECREASE)</b>	6,528	1,361	8,178	8,879	24,946	(36,395)
Beginning of year	276,577	49,764	156,353	172,407	655,101	691,496
<b>END OF YEAR</b>	\$ 283,105	\$ 51,125	\$ 164,531	\$ 181,286	\$ 680,047	\$ 655,101

Los Angeles County Metropolitan Transportation Authority  
 Agency Funds - Benefit Assessment Districts  
 Statement of Changes in Assets and Liabilities  
 For the year ended June 30, 2000  
 (Amounts expressed in thousands)

Exhibit G-3

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
<b>ASSETS</b>				
Assessment receivable	\$ 624	\$ 19,753	\$ 19,341	\$ 1,036
Interest receivable	195	257	195	257
Restricted assets:				
Cash and investments with fiscal agents	<u>10,037</u>	<u>21,064</u>	<u>21,584</u>	<u>9,517</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,856</u></u>	<u><u>\$ 41,074</u></u>	<u><u>\$ 41,120</u></u>	<u><u>\$ 10,810</u></u>
<b>LIABILITIES</b>				
Accounts payable	\$ 928	\$ 903	\$ 1,287	\$ 544
Accrued interest payable	2,953	2,836	2,953	2,836
Accrued bond principal payable	<u>6,975</u>	<u>7,430</u>	<u>6,975</u>	<u>7,430</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 10,856</u></u>	<u><u>\$ 11,169</u></u>	<u><u>\$ 11,215</u></u>	<u><u>\$ 10,810</u></u>

## **General Fixed Assets Account Group**

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

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**Los Angeles County Metropolitan Transportation Authority**  
**Comparative Schedules of General Fixed Assets-By Source**  
**June 30, 2000 and 1999**  
(Amounts expressed in thousands)

	<u>2000</u>	<u>1999</u>
General Fixed Assets:		
Contributed Capital - SCRRRA	\$ 157,783	\$ 149,983
Contributed Capital - PMLCA	70,034	-
Land	714,420	785,963
Construction in Progress:		
Call Boxes	7,750	7,750
Other Equipment	-	26,396
Leasehold Improvements	1,746	1,746
Metro Rail MOS-2	-	5,205
Metro Rail MOS-3 (North Hollywood)	-	1,030,124
Metro Rail MOS-3 (East Side)	92,257	114,481
Metro Rail MOS-3 (Mid-City)	13,468	13,354
Metro Rail MOS-3 (Eastern Ext.)	18,475	859
Pasadena Line	235,372	211,901
L.A. Car	148,075	127,753
Other Operations Capital Projects	88,475	65,519
Other Construction in Progress	16,277	243,742
Total General Fixed Assets	<u>\$ 1,564,132</u>	<u>\$ 2,784,776</u>
Investments in General Fixed Assets by Source:		
General Fund	\$ 7,750	\$ 7,755
Capital Projects Funds	1,556,382	2,777,021
Total Investment in General Fixed Assets	<u>\$ 1,564,132</u>	<u>\$ 2,784,776</u>

Los Angeles County Metropolitan Transportation Authority  
 Schedule of General Fixed Assets - By Activity and Function  
 June 30, 2000 and 1999  
 (Amounts expressed in thousands)

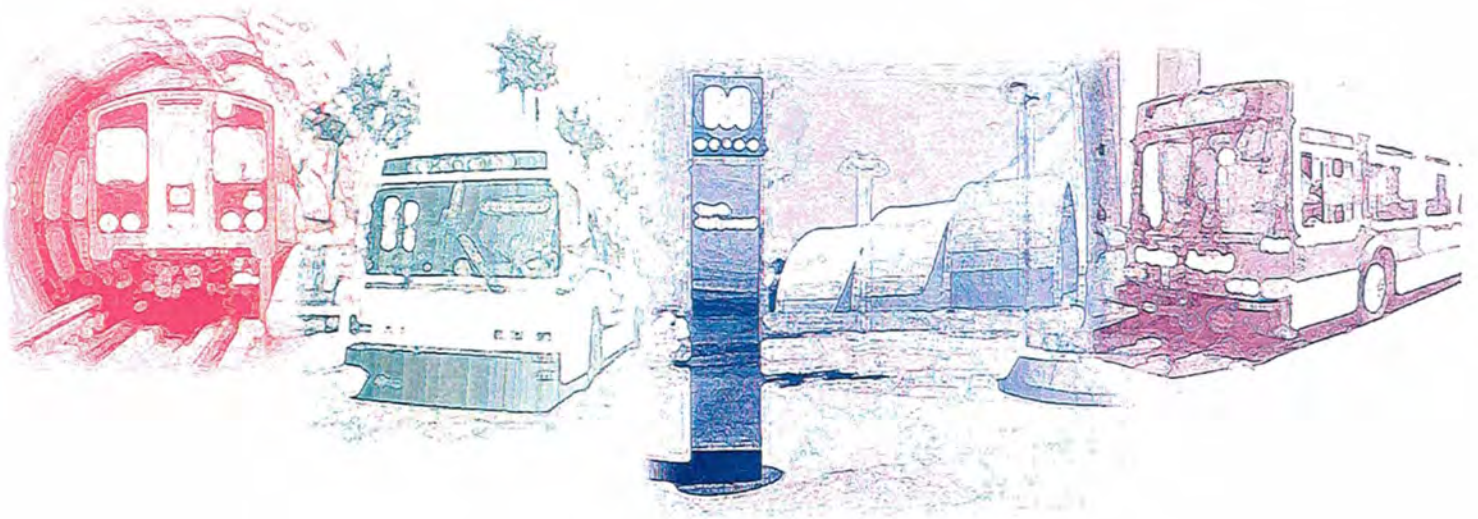
	<u>Administration</u>	<u>Transportation Facilities</u>	<u>Construction in Progress</u>	<u>Total</u>
Equity in assets of other agencies				
Contributed Capital - SCRRA	\$ -	\$ 157,783	\$ -	\$ 157,783
Contributed Capital - PMBLCA	-	70,034	-	70,034
Land	-	714,420	-	714,420
Construction in Progress:				
Call boxes	-	7,750	-	7,750
Leasehold Improvements	1,746	-	-	1,746
Metro Rail MOS 3 (East Side)	-	-	92,257	92,257
Metro Rail MOS 3 (Mid-City)	-	-	13,468	13,468
Metro Rail MOS 3 (Eastern Ext.)	-	-	18,475	18,475
Pasadena line	-	-	235,372	235,372
L.A. Car	-	-	148,075	148,075
Other Operations Capital Projects	-	-	88,475	88,475
Other Construction in Progress	-	-	16,277	16,277
Total General Fixed Assets	<u>\$ 1,746</u>	<u>\$ 949,987</u>	<u>\$ 612,399</u>	<u>\$ 1,564,132</u>



Los Angeles County Metropolitan Transportation Authority  
 Schedule of Changes in General Fixed Assets--by Function and Activity  
 For the fiscal year ended June 30, 2000  
 (Amounts expressed in thousands)

	General Fixed Assets June 30, 1999	Additions	Deductions	General Fixed Assets June 30, 2000
Equity in Assets of Other Agencies				
Contributed Capital - SCRRRA	\$ 149,983	\$ 7,800	\$ -	\$ 157,783
Contributed Capital - PMBLCA	-	70,034	-	70,034
Land	785,963	-	(71,543)	714,420
Construction in Progress:				
Call boxes	7,750	-	-	7,750
Other Equipment	26,396	5,329	(31,725)	-
Leasehold Improvements	1,746	-	-	1,746
Metro Rail MOS 2	5,205	59,227	(64,432)	-
Metro Rail MOS 3 (North Hollywood)	1,030,124	46,569	(1,076,693)	-
Metro Rail MOS 3 (East Side)	114,481	5,032	(27,256)	92,257
Metro Rail MOS 3 (Mid-City)	13,354	114	-	13,468
Metro Rail MOS 3 (Eastern Ext.)	859	17,616	-	18,475
Pasadena line	211,901	23,471	-	235,372
L.A. Car	127,753	20,322	-	148,075
Other Operations Capital Projects	65,519	22,956	-	88,475
Other Construction in Progress	243,742	87,416	(314,881)	16,277
Total General Fixed Assets	\$ 2,784,776	\$ 365,886	\$ (1,586,530)	\$ 1,564,132

# Statistical



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

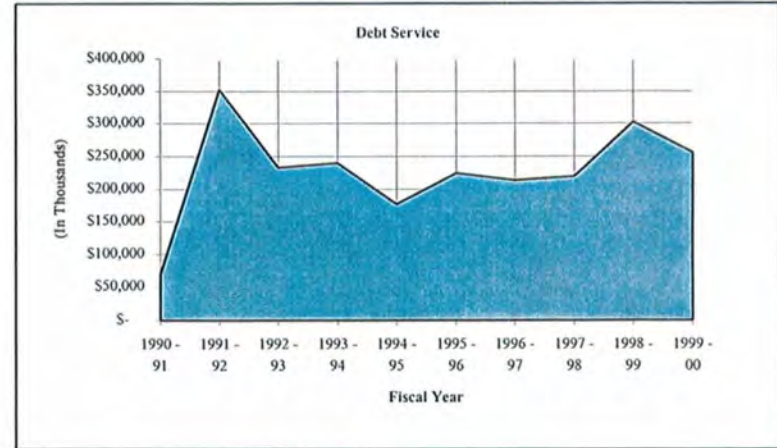
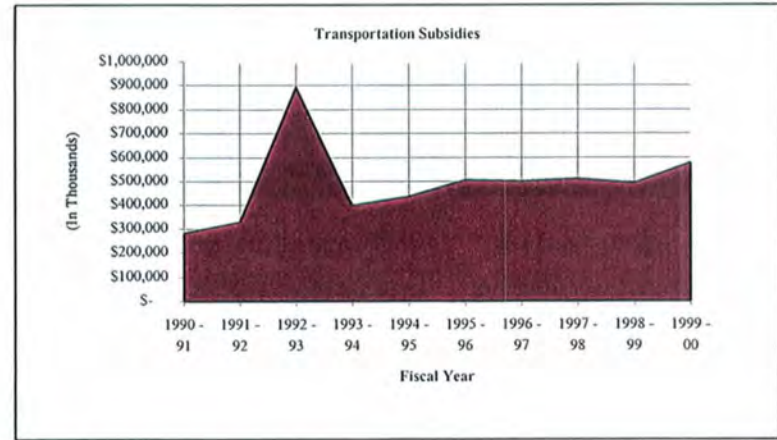
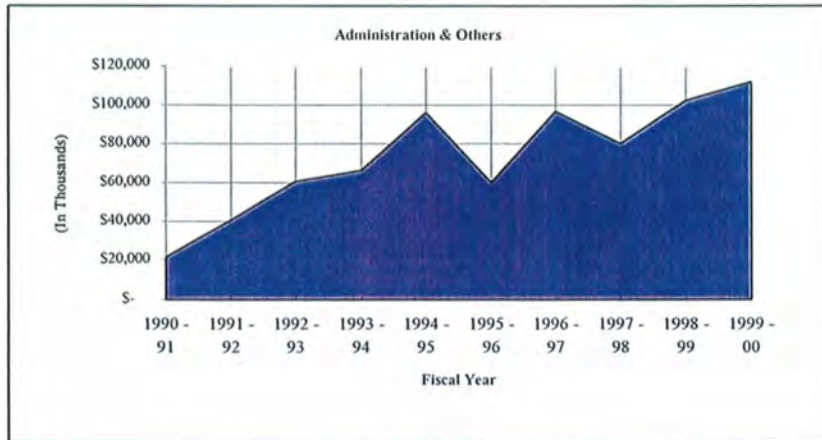
Table 1

Fiscal Year	Administration & Others	Transportation Subsidies	Capital Outlay	Debt Service	Total
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	102,312	491,243	374,289	302,283	1,270,127
1999 - 00	111,640	576,691	401,042	255,913	1,345,286

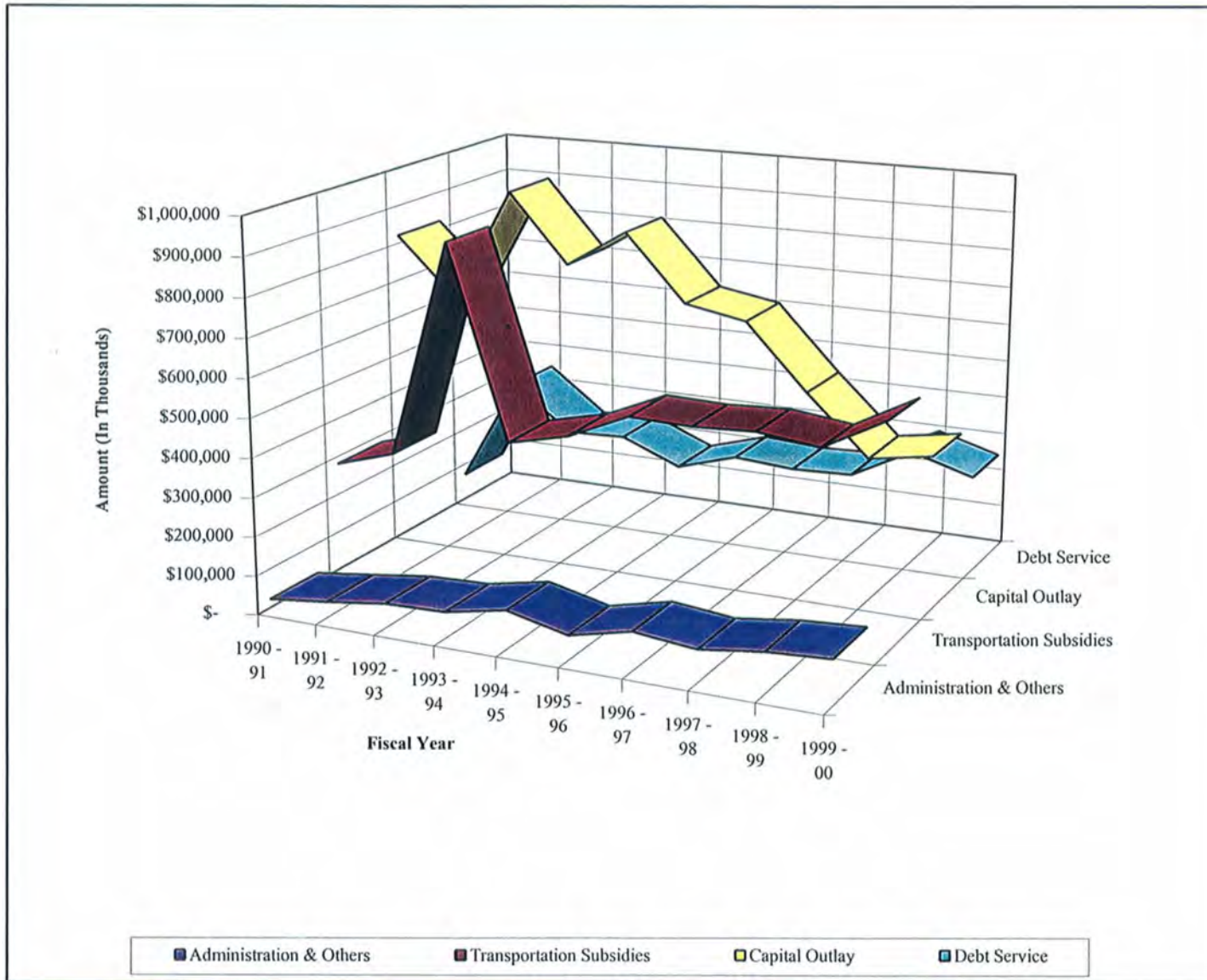
Source: Comprehensive Annual Financial Report

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



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

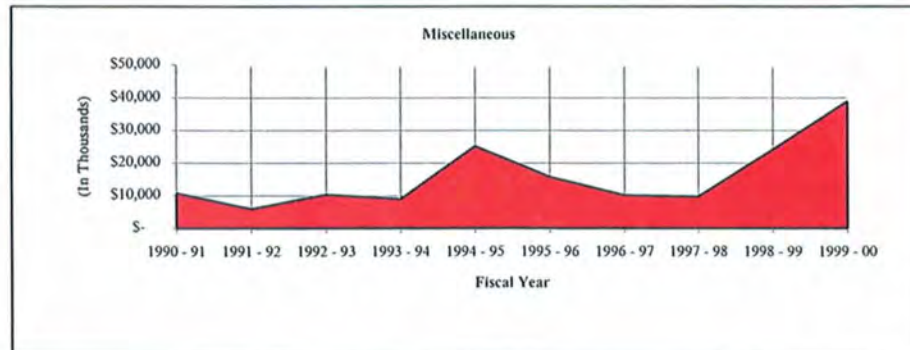
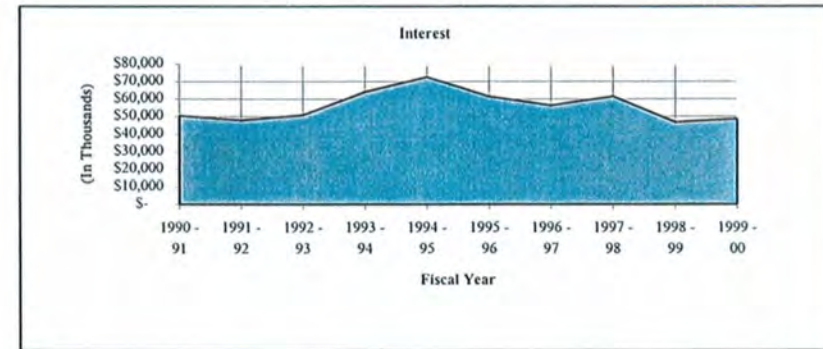
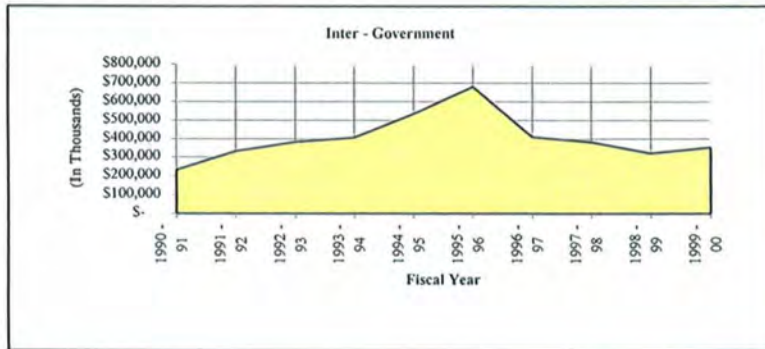
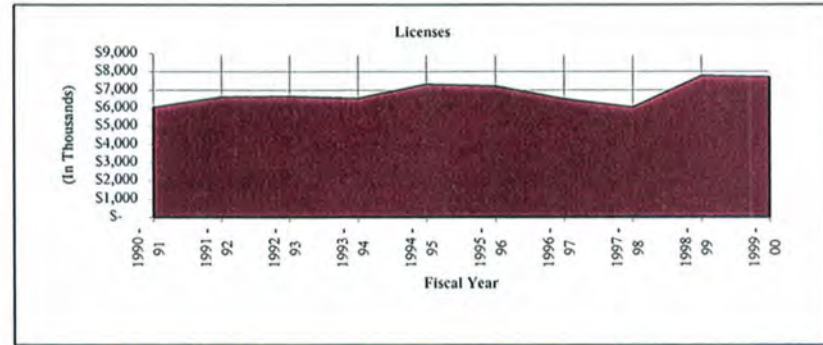
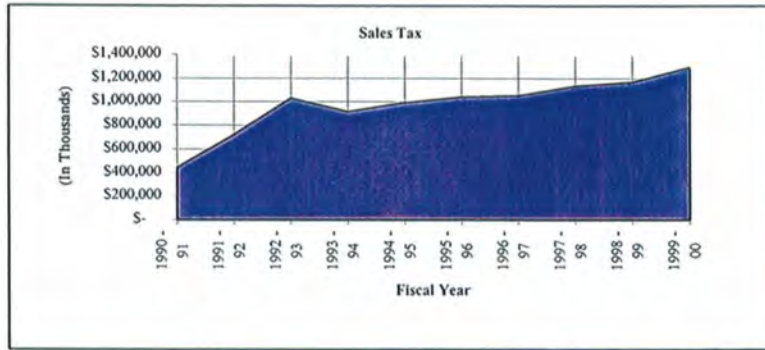
*Table 2*

<b>Fiscal Year</b>	<b>Sales Tax</b>	<b>Licenses</b>	<b>Inter-Gov't</b>	<b>Interest</b>	<b>Misc.</b>	<b>Total</b>
1990 - 91	\$ 442,932	\$ 6,023	\$ 231,693 (6)	\$ 50,639	\$ 10,766 (2)	\$ 742,053
1991 - 92	720,348 (3)	6,611	330,958	48,019	6,049	1,111,985
1992 - 93 *	1,029,547 (5)	6,634	379,231	50,749	10,405 (4)	1,476,566
1993 - 94	916,398	6,520	406,676	63,983	9,064 (4)	1,402,641
1994 - 95	989,066	7,295	533,188	72,790	25,206 (7)	1,627,545
1995 - 96	1,037,892	7,192	679,630	61,550	15,759 (4)	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	7,777	322,122	46,760	24,268	1,568,569
1999 - 00	1,290,122	7,690	353,966	48,824	38,945	1,739,547

Source: Comprehensive Annual Financial Report

- Notes:
- (1) Include all governmental fund types.
  - (2) Includes \$3,268,000 in charges for construction services, \$4,958,000 utilities refund, \$2,644,000 fire loss insurance indemnification's.
  - (3) Includes voter- approved one-half cent sales tax Proposition C for the full year.
  - (4) Includes Lease rentals.
  - (5) MTA took over as the administrator of TDA Sales Tax Revenues which had a fund balance of 90 million.
  - (6) Includes Federal revenue for the Metro Rail Construction project.
  - (7) Includes insurance refunds.
  - \* Merger between LACTC & SCRTRD

Graphical Presentation of Table 2



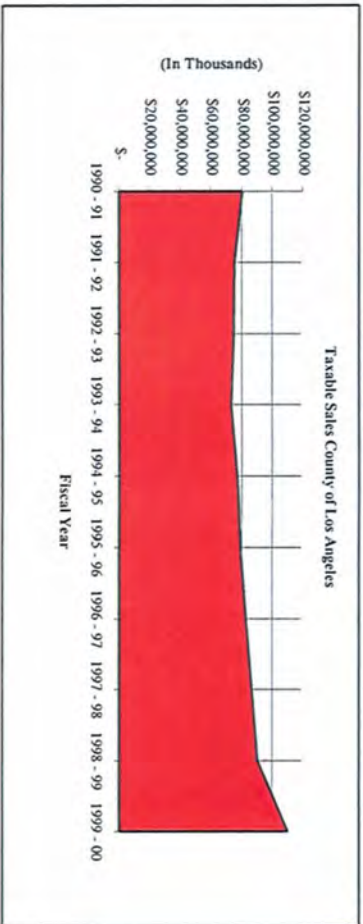
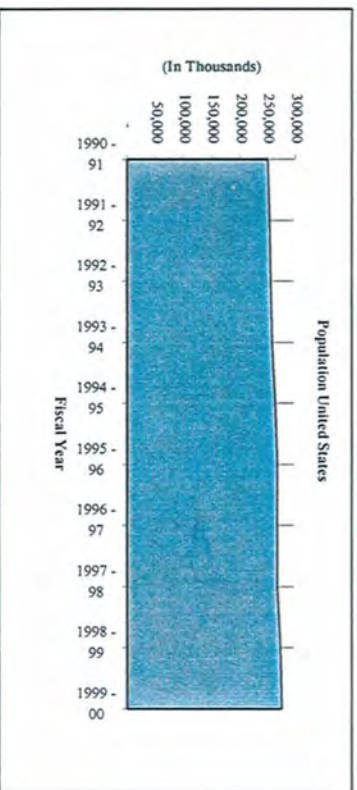
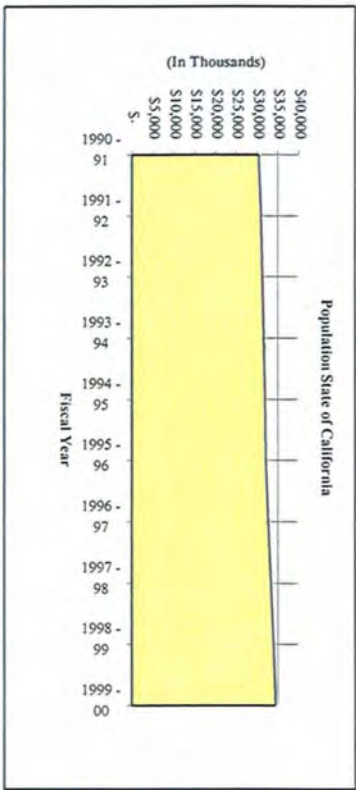
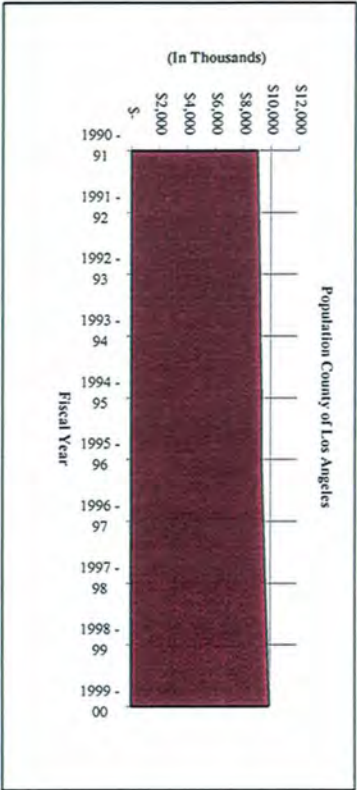
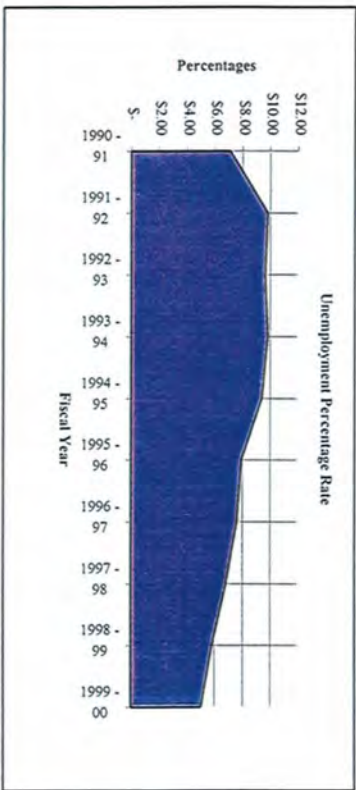
**Los Angeles County Metropolitan Transportation Authority**  
**Demographic Statistics**  
**Last Ten Fiscal Years**  
(Amounts expressed in thousands)

*Table 3*

<b>Fiscal Year</b>	(1) <b>Unemployment Percentage Rate</b>	(2) <b>Population County of Los Angeles</b>	(2) <b>Population State of California</b>	(2) <b>Population United States</b>	(3) <b>Taxable Sales County of Los Angeles</b>
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
1999 - 00	5.0	9,884	34,336	275,761	110,066,151 (4)

*Sources:* (1) State Department of Employment Development for the County of Los Angeles (12 month moving average)  
(2) California Department of Finance  
(3) State Board of Equalization  
(4) Projected Taxable Sales  
\* Merger between LACTC & SCRTD





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
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%
1999 - 00	504,353	126,088	378,265	138,188	2.74%

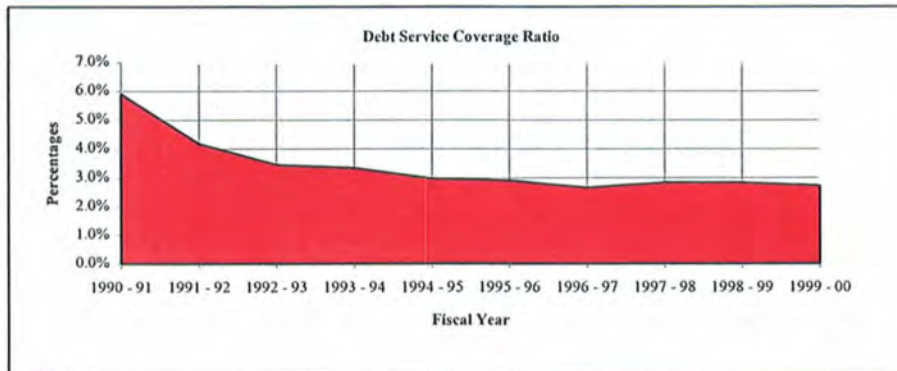
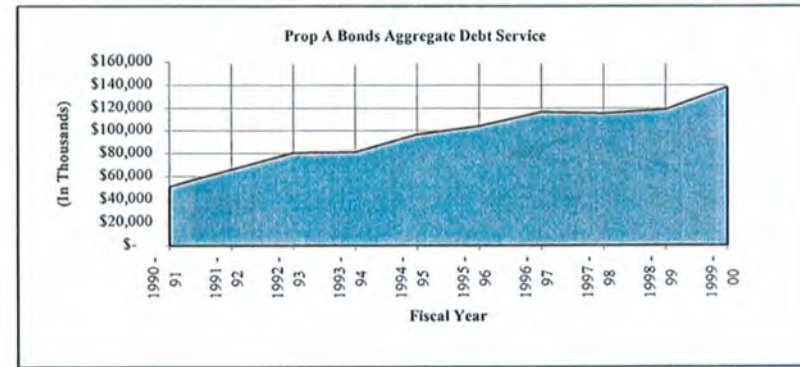
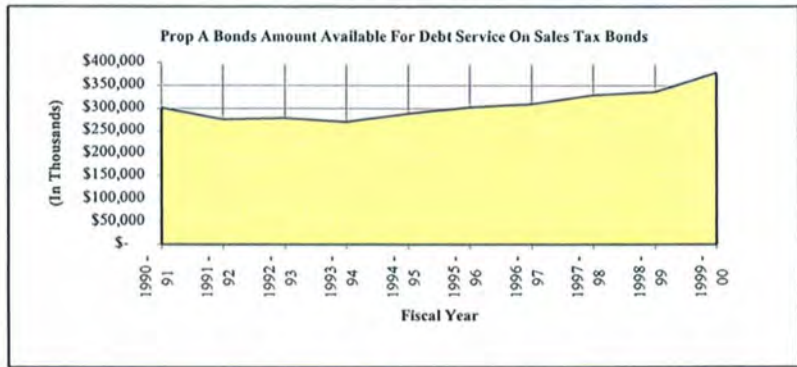
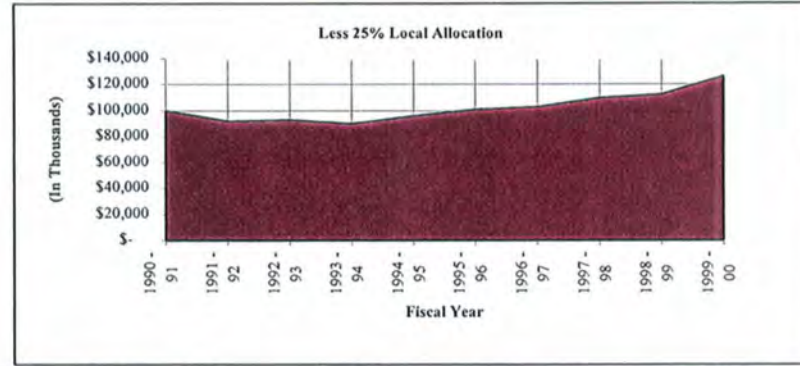
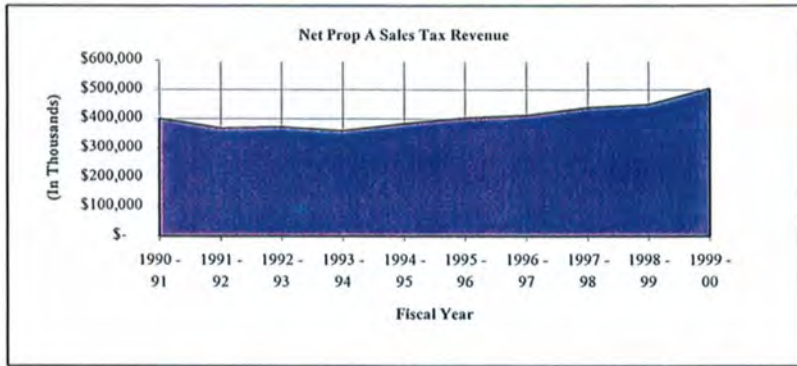
Source: Comprehensive Annual Financial Report

(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

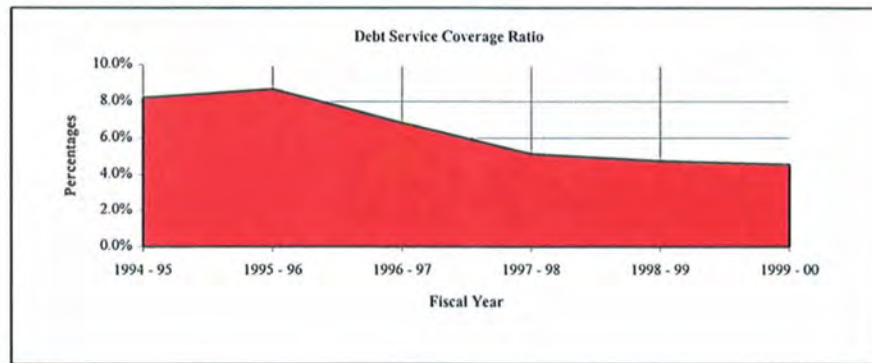
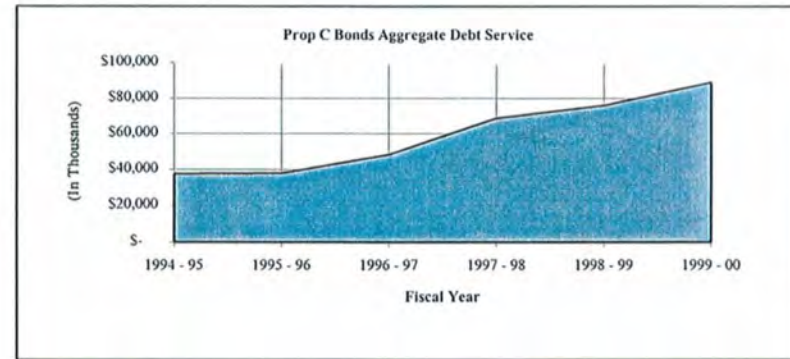
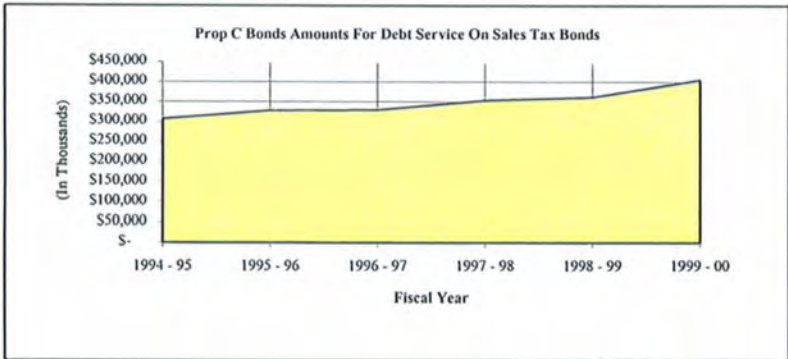
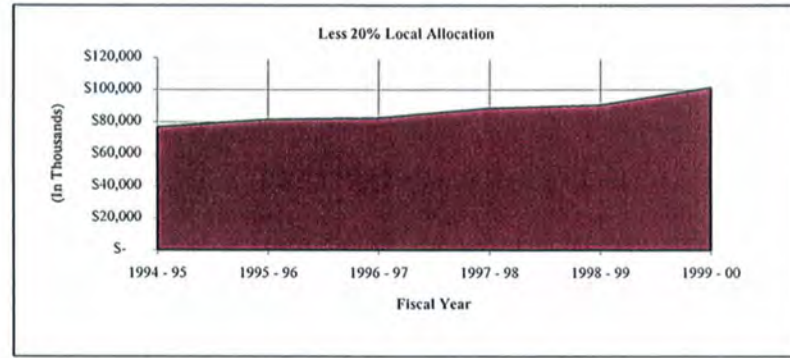
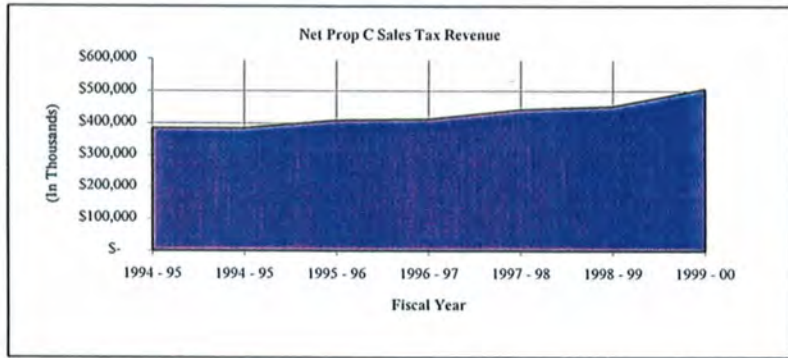


Los Angeles County Metropolitan Transportation Authority  
 Historical Debt Service Coverage Ratios - Prop C  
 Last Six Fiscal Years  
 (Amounts expressed in thousands)

Table 5

Fiscal Year	Net Prop C Sales Tax Revenue	Less 20% Local Allocation	Prop C Bonds Amounts 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	5.14%
1998 - 99	452,232	90,446	361,786	75,935	4.76%
1999 - 00	505,949	101,190	404,759	88,801	4.56%

Source: Comprehensive Annual Financial Report



**Los Angeles County Metropolitan Transportation Authority**  
**Ratio of Annual Debt Service Expenditures for General Bonded**  
**Debt to Total General Fund Expenditures**

*Table 6*

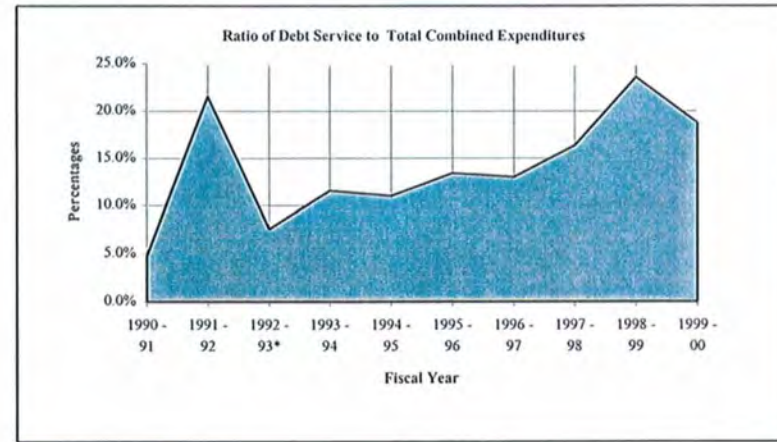
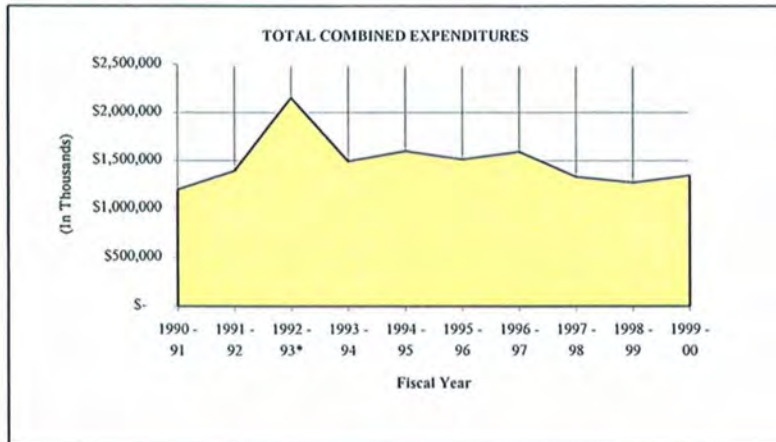
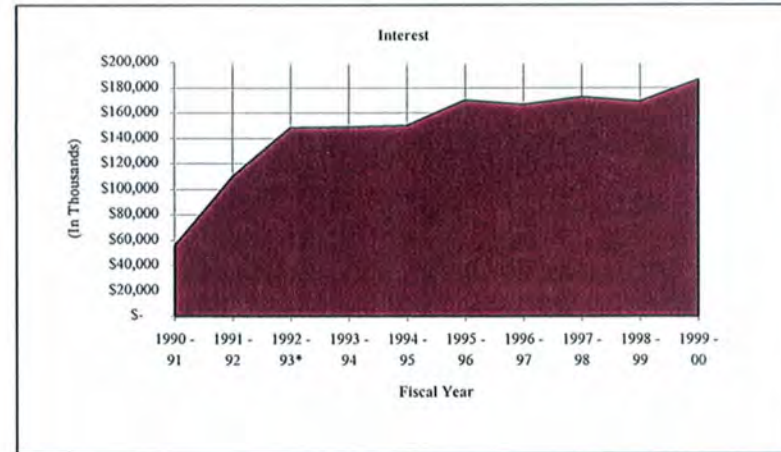
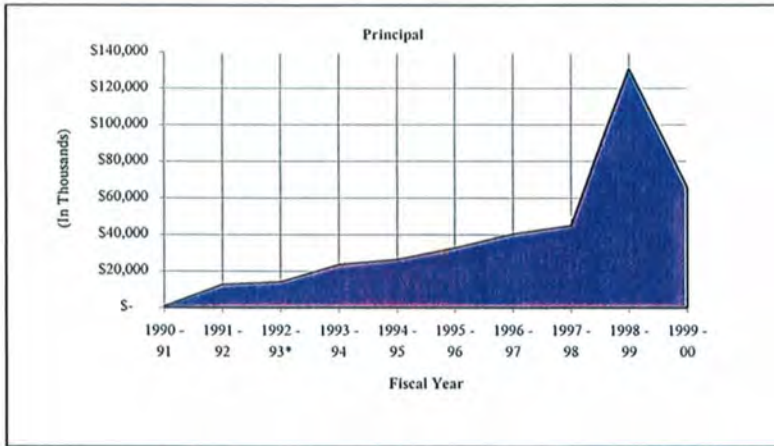
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

FISCAL YEAR	1990 - 91	1991 - 92	1992 - 93*	1993 - 94	1994 - 95	1995 - 96	1996 - 97	1997 - 98	1998 - 99	1999 - 00
Principal	\$ 586	\$ 12,592	\$ 14,019	\$ 23,639	\$ 26,345	\$ 32,498	\$ 40,200	\$ 45,025	\$ 130,757	\$ 66,135
Interest	55,780	110,090	148,576	148,975	149,630	169,876	166,552	172,579	169,011	186,437
Commercial Paper Retirement	-	177,000	-	-	-	-	-	-	-	-
Total Debt Service Expenditures	56,366	299,682	162,595	172,614	175,975	202,374	206,752	217,604	299,768	252,572
<b>Total Combined Expenditures</b>	<b>1,196,198</b>	<b>1,390,645</b>	<b>2,151,711</b>	<b>1,492,832</b>	<b>1,595,752</b>	<b>1,508,202</b>	<b>1,588,259</b>	<b>1,333,136</b>	<b>1,270,128</b>	<b>1,345,286</b>
Ratio of Debt Service to										
General Expenditures (%)	4.71%	21.55%	7.56%	11.56%	11.03%	13.42%	13.02%	16.32%	23.60%	18.77%

Source: Comprehensive Annual Financial Report  
 \* Merger between LACTC & SCRTD

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)

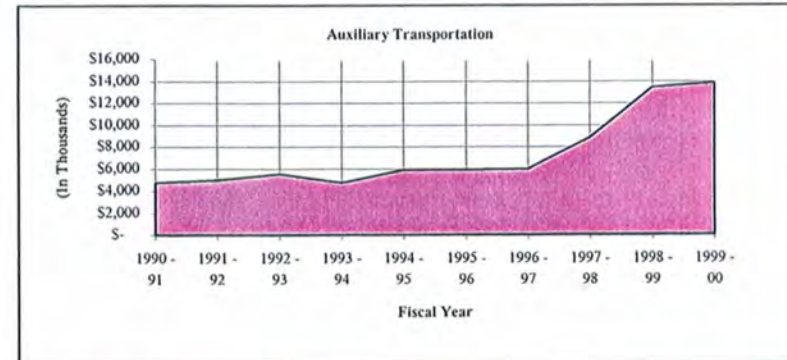
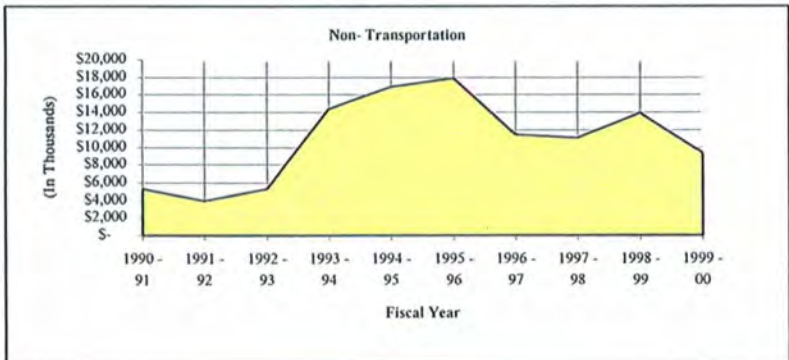
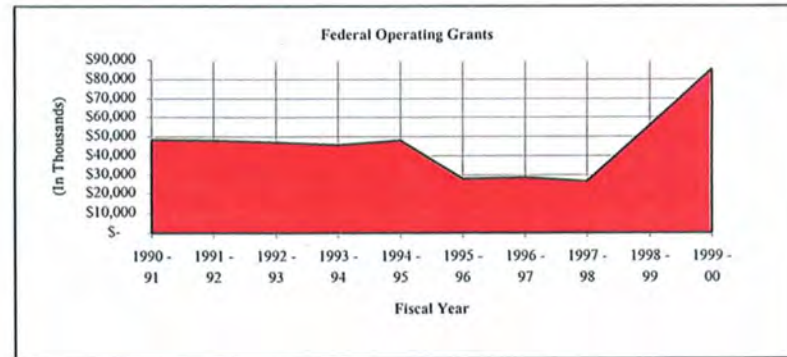
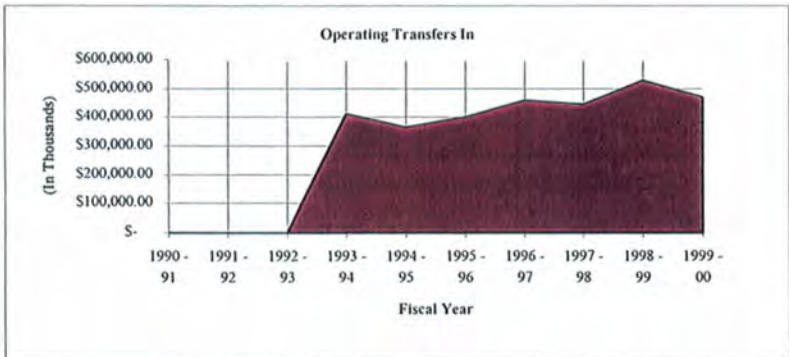
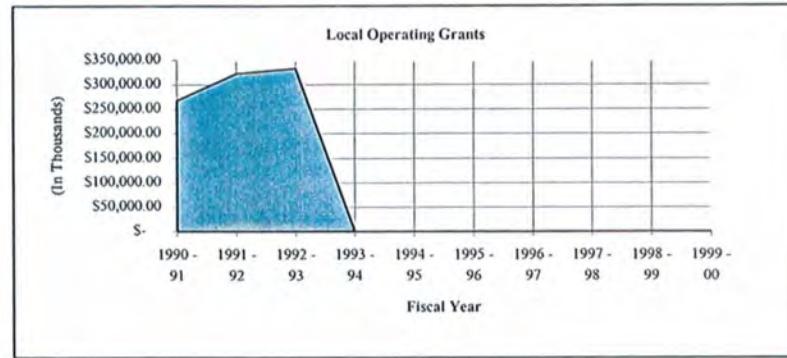
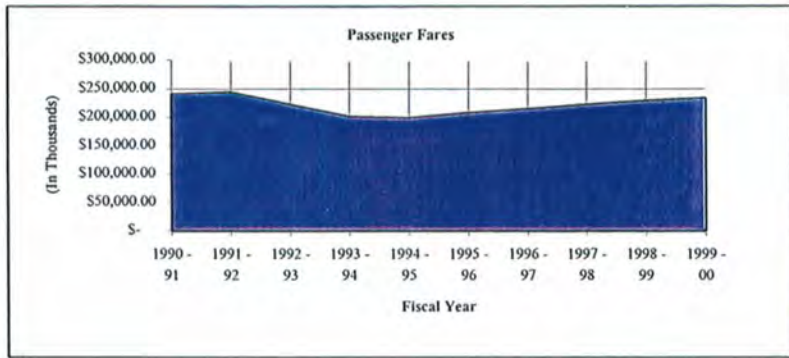
*Table 7*

<b>Fiscal Year</b>	<b>Passenger Fares</b>	<b>Local Operating Grants</b>	<b>Operating Transfers In (1)</b>	<b>Federal Operating Grants</b>	<b>State Operating Grants</b>	<b>Non-Transportation</b>	<b>Auxiliary Transportation</b>	<b>Total</b>
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
1999 - 00	233,436	-	470,863	85,379	-	9,276	13,864	812,818

Source: Comprehensive Annual Financial Report  
\*Merger between LACTC & SCRTRD  
(1) Represents local government revenue.



Graphical Presentation of Table 7



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

*Table 8*

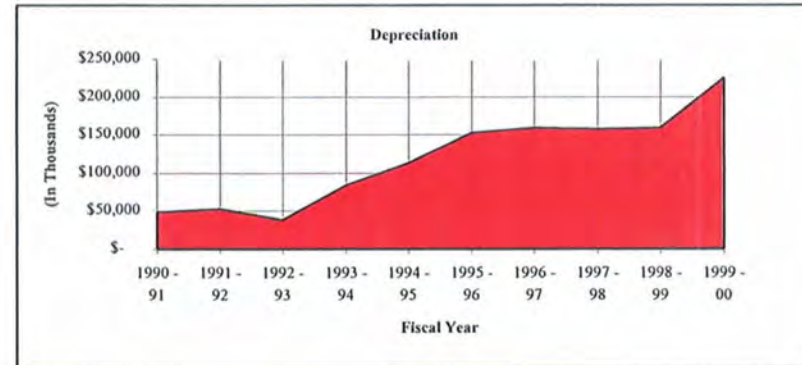
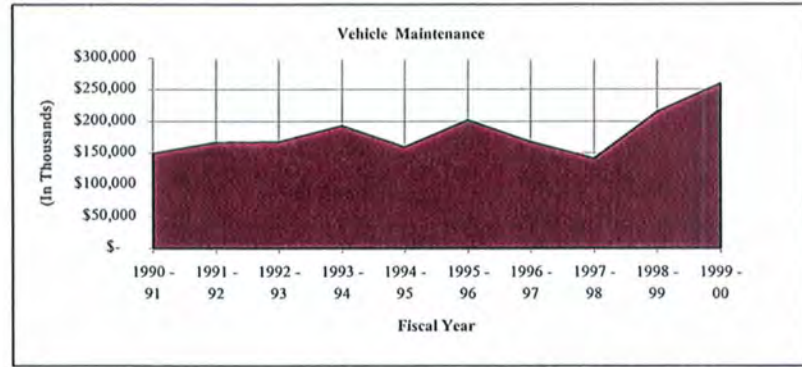
<b>Fiscal Year</b>	<b>Operations</b>	<b>Vehicle Maintenance</b>	<b>General &amp; Administrative (1)</b>	<b>Depreciation</b>	<b>Total</b>
1990 - 91	\$291,745	\$148,932	\$124,460	\$48,111	\$ 613,248
1991 - 92	311,579	165,878	145,724	52,628	675,809
1992 - 93 *	354,997	167,024	128,169	37,781	687,971
1993 - 94	292,986	192,767	82,149	83,405	651,307
1994 - 95	349,593	158,855	109,457	113,269	731,174
1995 - 96	353,740	201,806	156,599	152,645	864,790
1996 - 97	400,982	167,621	146,457	159,500	874,560
1997 - 98	433,560	140,720	140,332	158,027	872,639
1998 - 99	475,280	214,710	125,274	159,210	974,474
1999 - 00	493,961	259,656	34,444	225,762	1,013,823

Source: Comprehensive Annual Financial Report

\*Merger between LACTC & SCRTRD

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

Graphical Presentation of Table 8



**Metropolitan Transportation Authority**  
**San Fernando Valley Trust Fund**  
**Schedule of Metro Red Line Project Costs/Local Monies Spent**  
(Amount Expressed in Thousands)

Year	Federal				L o c a l						Project Costs				
	Seg. 1	Seg. 2	Seg. 3	Total	Seg. 1	Seg. 2	Seg. 3			Total	Seg. 1	Seg. 2	Seg. 3*		Total
							LA	Sub-Total	SFV				LA	SFV	
1986	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1987	167,364	-	-	167,364	138,543	-	-	138,543	-	138,543	305,907	-	-	-	305,907
1988	71,209	-	-	71,209	69,429	-	-	69,429	-	69,429	140,638	-	-	-	140,638
1989	128,067	-	-	128,067	64,781	7,898	-	72,679	-	72,679	192,848	7,898	-	-	200,746
1990	145,631	-	-	145,631	100,505	16,069	-	116,574	-	116,574	246,137	16,069	-	-	262,205
1991	86,837	10,132	-	96,968	53,620	59,886	-	113,506	-	113,506	140,457	70,018	-	-	210,475
1992	53,151	78,453	-	131,603	90,573	89,947	904	181,425	2,325	183,750	143,724	168,399	904	2,325	315,353
1993	10,855	130,432	18,200	159,488	9,266	85,066	3,664	97,996	9,421	107,416	20,121	215,498	8,760	22,525	266,904
1994	33,379	154,956	35,696	224,031	195,974	85,479	3,926	285,378	10,095	295,473	229,353	240,435	13,921	35,796	519,505
1995 (	610)	164,555	83,795	247,741	10,940	80,144	17,657	108,741	45,404	154,145	10,330	244,699	41,120	105,737	401,886
1996	-	118,574	112,081	230,655	5,296	76,460	7,745	89,501	19,916	109,417	5,296	195,034	39,128	100,615	340,073
1997	-	61,998	233,032	295,029 (	731)	46,159	3,510	48,939	9,027	57,965 (	731)	108,157	68,759	176,810	352,995
1998	-	-	124,352	124,352	3,539	208,306	21,842	233,688	56,166	289,854	3,539	208,306	56,661	145,699	414,206
1999	-	-	58,774	58,774 (	247)	97,484	31,142	128,379	80,080	208,459 (	247)	97,484	47,599	122,397	267,233
2000	-	-	109,874	109,874	277	59,871	5,507	65,655	14,159	79,814	277	59,871	30,779	98,761	189,688
<b>Total</b>	<b>695,884</b>	<b>719,100</b>	<b>775,804</b>	<b>2,190,788</b>	<b>741,765</b>	<b>912,768</b>	<b>95,898</b>	<b>1,750,432</b>	<b>246,594</b>	<b>1,997,026</b>	<b>1,437,649</b>	<b>1,631,868</b>	<b>307,631</b>	<b>810,665</b>	<b>4,187,814</b>

Expenditure Requirement (15% * \$1,750,432)	\$ 262,564
Interest Earned	<u>32,913</u>
<b>Total Required Expenditures</b>	<b><u>\$ 295,477</u></b>
<b>Actual Expenditures</b>	<b><u>\$ 810,665</u></b>

\* Split of Seg. 3 to 28% LA and 72% Valley based on construction Engineering's estimate is used for this analysis; for further refinement of costs.