



Comprehensive Annual Financial Report

*Los Angeles County
Metropolitan Transportation Authority*



For the Fiscal Year Ended June 30, 2001



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For Fiscal Year Ended June 30, 2001**

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2001

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Introductory







November 2, 2001

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

Metropolitan
Transportation
Authority

Dear Honorable Board Members:

Subject: MTA Comprehensive Annual Financial Report

One Gateway Plaza
Los Angeles, CA
90012-2952

The Comprehensive Annual Financial Report for the Los Angeles County Metropolitan Transportation Authority (MTA) for the fiscal year ended June 30, 2001 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 my 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, 2000;
- The Financial Section includes the independent accountant's report on the general purpose financial statements, the general purpose financial statements, the notes to combined financial statements, the required supplemental information, and the combining individual fund and account group financial statements and schedules;
- 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 operations, planning and programming, and construction. 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 87.3 million annual vehicle service miles. The entire fleet is wheelchair accessible and over 48% 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 130,000 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 28,000 weekday passengers.

In June 2000, the MTA also launched the Metro Rapid Bus demonstration program in the Wilshire/Whittier and Ventura boulevard corridors. These high-speed buses use advanced-technology to regulate traffic signals. The new services have been well received and heavy ridership has resulted in the addition of more buses than anticipated to this service.

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.

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, which provides motorists free assistance through a fleet of 145 tow trucks that patrol LA County freeways to alleviate congestion by assisting disabled vehicles.

The Service Authority for Freeway Emergencies (SAFE) operates the Kenneth Hahn Call Box program, operating and servicing 4,471 call boxes along more than 500 miles of freeways and state highways and selected County roads 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 countywide 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 by 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 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 L.A. 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 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, and 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 2000-2001:

Operations

The MTA's Metro Bus system has an estimated 1.2 million boardings daily. MTA Operations focused its efforts on improvements to bus service by providing additional new buses, better equipment, better maintenance and better on-street supervision. Great strides were made in on-time pullouts and meeting schedules. Over the past 12 months the MTA has reduced lost service hours to about 1.1% of the total annual service provided during the fiscal year. These strategies are aimed at reducing overcrowding and improving the overall quality of the bus service.

To achieve these objectives a total of 700 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 nearly 1,100 additional new CNG (clean fuel) buses into service. By December 2001, this number will reach nearly 1,500. 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 June 2001, the MTA recorded 5,200 mean miles between mechanical breakdowns compared with 4,877 miles in June 2000. In-service on time performance and an improved overall fleet cleanliness with a concomitant major drop in customer complaints, indicate that service is steadily getting better. On-time pullouts (OTP) exceeded the 99.5% goal from March to August 2000. OTP declined drastically during the September-October work stoppage, but improved steadily following the strike and were, once again, above goal in June 2001.

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, the redistribution of service to minimize duplication, and the identification of new fare technologies 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. In addition, the MTA expanded service to late-night community venues in the central business district as well as increasing service on the Harbor Transitway of the I-110 freeway.
- The MTA has started two new pilot services within the service area to provide more options and make new service connection in all sectors of the county. Two additional pilot line services are under study and may be implemented in December 2001.
- During this year, the MTA increased the number of limited services on existing lines to reduce the travel time on major corridors and has continued the development of the Rapid Bus program. Line 720 (Wilshire-Whittier Rapid Bus) has increased customer demand by 25% over previous use of lines in that corridor. Additional Rapid services are contemplated for inauguration by the end of the current fiscal year.

The goals of the BSIP 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:** Reducing graffiti and discouraging tagging will improve the quality of service.

Other strategies to improve operations are:

- Update the transit radio system to 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.
- Install Global Positioning System (GPS) on all buses so that MTA's Central Dispatch can know the accurate location of each bus in service.

- Install internal message signs for improved communication; provide cameras for improved security; and install voice annunciators for both improved communication and security.
- Develop and design 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.
- Improve the fare handling technology to improve service to our customers.

Engineering and Construction

Heavy Rail

Activity related to Segment 3 (North Hollywood) continued through the year. Construction of the new six-lane bridge over the Hollywood freeway at Universal Terrace Parkway continued. Construction commenced on the widening of the Lankersheim Boulevard bridge across the Los Angeles River. In addition, the MTA completed the design and construction for the Metro Red Line parking expansion at the Universal City and North Hollywood stations. The design and construction of Parcel 3 parking at North Hollywood was also completed.

Light Rail

The MTA completed the construction of extended platforms on the Blue Line in the summer of 2001 and expects to have final modifications completed by November 2001. These modifications will allow the operation of 3-car Blue Line trains, providing more capacity and efficiency in the fastest growing rail corridor in the country.

With the completion of the acceptance process of the P-2000 rail cars, the MTA expects to be able to run two-car trains on the Metro Green Line to meet the ridership growth on the service. The Green Line maintenance-of-way contract for design and construction was completed.

Capital Improvement Projects – Rail and Bus

The following projects were completed:

- CNG fueling facility at Division 1 and design of CNG fueling facilities at Divisions 3,5 and 7.
- Tunnel grouting to fill voids and seal leaks and cracks at designated locations along the alignment of Metro Red Line Segments 1 and 2A.

- Design, fabrication and installation of the replacement of voice data recorders at the Rail Operations Control Center, Divisions 11 and 22.
- Design on work packages for the Division Network Construction Project which will replace and upgrade the data and voice wire net works at most divisions.
- New bus washer installation at Division 6; completed designs for new bus washers at Divisions 2, 8, 9 and 15.
- Division 2 maintenance building roofing replacement and floor coating.

Other

Construction and Engineering was able to generate some revenue for the agency by developing a software program in-house and mounting a marketing campaign. This led to a sale to a private party. The software is a contract control system and it generated \$225,000 in new revenues.

Countywide Planning and Development

The transportation planning and programming organizational unit, Countywide 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 improve mobility benefit on a regional level.

Long Range Plan and Goals

The Los Angeles County Metropolitan Transportation Authority Board of Directors on April 26, 2001 adopted a new Long Range Transportation Plan. This Long Range Transportation Plan (LRTP) is the first update since 1995, and looks ahead at transportation needs over the twenty-five years from 2000 through 2025. The LRTP directs public expenditures of \$106 billion for a balanced transportation program with a strong emphasis on public transit to meet growth in travel needs.

The LRTP established three goals: mobility, air quality and access. These goals are intended to ensure the MTA:

- Pursues activities and make investments that improve traffic flow, relieve congestion, and enable residents, workers, and visitors to travel quickly throughout Los Angeles County. The LRTP allows for activities and making investments that support and enhance our region's economy by enabling the safe

and efficient movement of goods to and from our international seaports and airports;

- Makes transportation investments that improve air quality by reducing mobile source emissions, increasing the number and percentage of people using public transit or carpooling by enhancing the efficiency of the transportation system; and
- Provide access for all to the many economic, educational, social, medical, cultural, recreational, and governmental opportunities and resources in Los Angeles County.

Some of the major projects in the LRTP are:

- Completion of the Eastside and Pasadena light rail projects;
- Alameda Corridor and Alameda Corridor East industrial rail and enhanced goods movement improvements for highways and rail systems;
- Busway for the San Fernando Valley;
- A new project from downtown to West Los Angeles combined with other fixed guideway projects through the year 2025;
- Expansion of the successful Metro Rapid Bus program as a prominent near and long term feature;
- Growing fleet of articulated buses that move quickly throughout the streets and highways of Los Angeles County; and
- Expanding the countywide bus fleet by over 1,100 buses, a 33% increase by the year 2025.

The LRTP encourages more ridesharing, walking and bike riding, telecommuting and improved management of truck traffic. Increased highway capacity is addressed by completing the countywide system of HOV (high occupancy vehicles) lanes and freeway gap closures to integrate circulation throughout the region. It is envisioned that more grade separations at railroad crossings and local arterial highway improvements will be made in cooperation with the 88 cities and the County of Los Angeles.

Several areas of innovative coordination are included in the LRTP such as utilizing the nine independent sub-regional councils of governments (COG's) for input on local transportation needs and suggested projects listings. Implementing cost savings measures to increase the efficient delivery of transit services and capital projects are described in the assumptions for the financial component of the LRTP and were favorably reviewed

nationally by the Federal Transit Administration and the United States General Accounting Office.

The LRTP proposes an investment in Los Angeles County's transportation future that is funded with a variety of local, state and federal revenues. The LRTP identifies the majority of funding as coming from local sources. The delivery of all projects and programs in the LRTP 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 schedule of the LRTP. The LRTP will be evaluated every two years to ascertain if changes in circumstances create a need for adjusting the transportation future of Los Angeles County.

ECONOMIC CONDITIONS AND OUTLOOK

In determining the MTA's financial capacity to fund future transportation programs and projects, the MTA 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 from various governmental sources including the annual UCLA Business Forecasting Project. According to the UCLA survey, California's economy is expected to continue to expand but at a slower rate than the last few years due to the impact of the energy shortages. MTA has analyzed the impact and is adjusting sales tax growth forecasts downwards in future years. The fiscal year 2001 increase of 7.6% in statewide taxable sales will be followed by gains of 2.85% in 2002, 3.0% in 2003, and 3.50% in 2004. As a result of the tragic events on September 11, 2001, MTA is currently reviewing these projections. 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 & 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
2000-01	1,056,731

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 maintains an encumbrance accounting system as another tool of budgetary control. Encumbrances at year-end are re-appropriated 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, 2001 and 2000.

Resources	Fiscal Year	% of	Fiscal Year	Increase (Decrease)	
	2001	Total	2000	Amount	%
Sales Tax	\$ 1,365,649	72	\$ 1,290,122	\$ 75,527	6
Intergovernmental	423,017	22	353,966	69,051	20
Licenses	7,031	0	7,690	(659)	(9)
Investment Income	82,259	4	48,440	33,819	70
Lease & Other	20,284	2	39,329	(19,045)	(48)
Total	<u>\$ 1,898,240</u>	<u>100%</u>	<u>\$ 1,739,547</u>	<u>\$ 158,693</u>	<u>9%</u>

The increase in sales tax revenue is due to the economic conditions prevailing during the year. Sales tax revenue includes Proposition A, Proposition C, Transportation

Development Act and State Transit Assistance funds. Investment income increased due to more favorable market conditions and improved cash management practices.

Intergovernmental revenue increased due to additional federal grants for the North Hollywood Metro Rail and bus acquisitions. Included in Lease and Other revenues for the year ended June 30, 2000, were the net proceeds of a lease/leaseback to service transaction amounting to \$16.6 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)	
	2001	Total	2000	Amount	%
Administration	\$ 154,621	11	\$ 111,640	\$ 42,981	39
Transportation Subsidies	619,170	46	576,691	42,479	7
Capital Outlay	314,267	23	401,042	(86,775)	(22)
Debt Service/Other	268,690	20	255,913	12,777	5
Total	\$ 1,356,748	100%	\$ 1,345,286	\$ 11,462	1%

Administration expenditures increased due to higher legal costs and one-time strike-related costs.

Transportation subsidies increased due to higher sales tax revenues.

Capital outlays decreased from the prior year as a result of three major capital projects being completed during the year ended June 30, 2001.

Debt Service and other expenses increased due to the refunding of sales tax revenue bonds and commercial paper during the year ended June 30, 2001.

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), railroad protective liability, project professional liability and environmental liability.

Debt Administration

At June 30, 2001, the MTA had \$3,524,973,000 of outstanding debt. This debt included sale tax revenue bonds, sales tax revenue refunding bonds, general revenue bonds, certificates of participation, lease revenue bonds and redevelopment bonds. The MTA has maintained its A1, 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 \$112,006,000 under the tax-exempt program and \$121,195,000 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Los Angeles County Metropolitan Transportation Authority for its comprehensive annual financial reports for the fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition for excellence in State and Local government financial reporting.

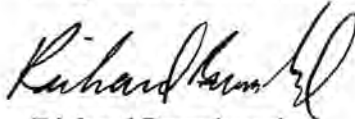
In order to be awarded a Certificate of Achievement, the MTA must publish an easily readable and well-organized, comprehensive annual financial report whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

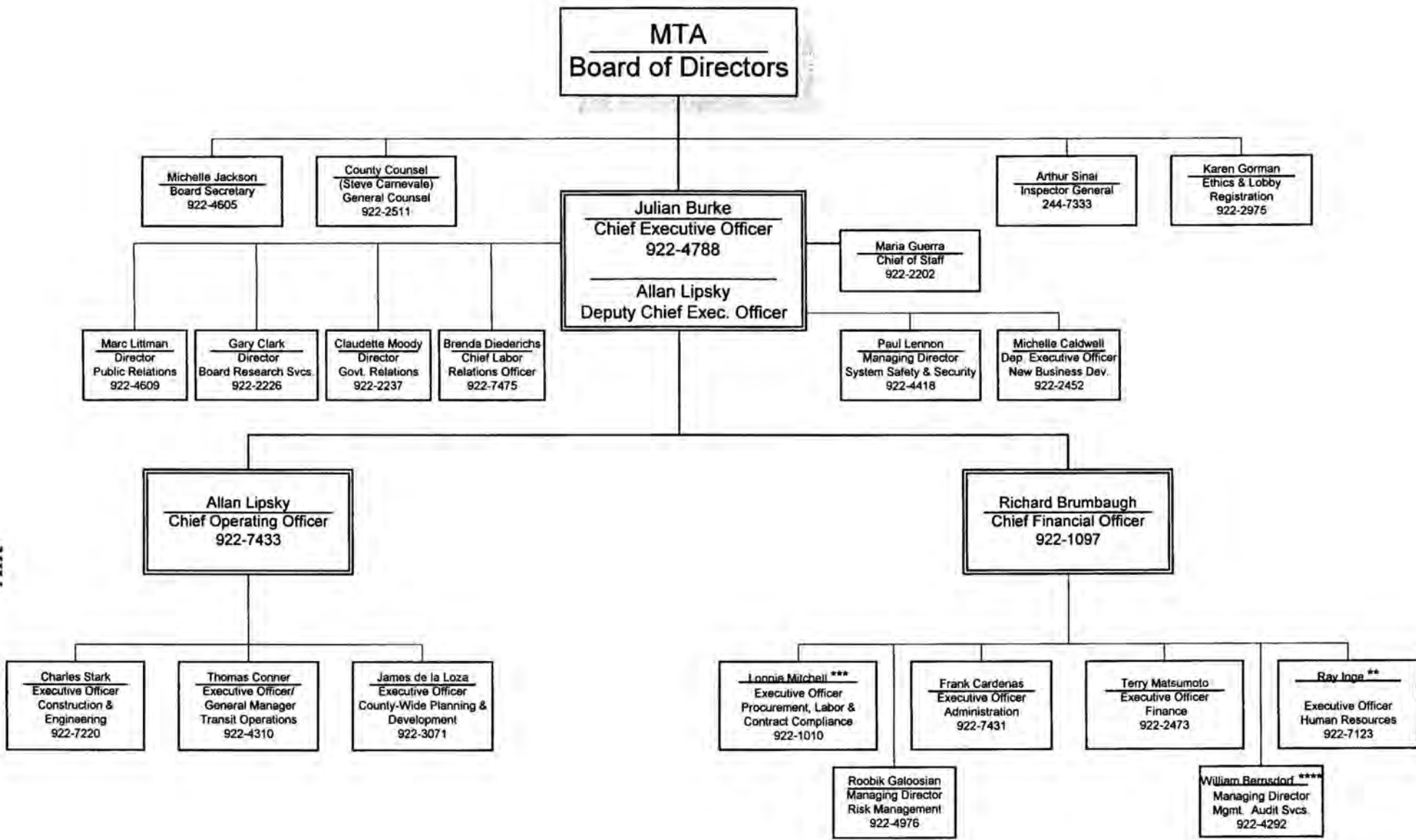
Acknowledgments

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,



Richard Brumbaugh
Chief Financial Officer



AIX

Los Angeles County
Metropolitan Transportation Authority
Management Organization Chart
as of July 1, 2001
Published by Human Resources Dept
(213) 922-7181
MTA Central Telephone (213) 922-2000

Key:

- * Acting or Interim
- ** Affirmative Action Officer reports directly to the Office of the CEO.
- *** Labor and Contract Compliance Officer reports directly to the Office of the CEO.
- **** Internal Audit reports directly to the Office of the CEO.



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Los Angeles County Metropolitan
Transporation Authority,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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.



Thomas A. Brown
President

Jeffrey L. Esser
Executive Director



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

COUNTY OF LOS ANGELES

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

CITY OF LOS ANGELES

Richard Riordan, 2 nd Vice Chair	- Mayor, Los Angeles
Councilmember Hal Bernson	- 12 th District
Jose Legaspi (Mayor's Appointee)	- Private Sector
Jeff Walden (Mayor's Appointee)	- Private Sector

LOS ANGELES COUNTY CITY SELECTION COMMITTEE

Councilmember John Fasana, 1 st Vice Chair	- Duarte
Mayor Frank C. Roberts	- Lancaster
Councilmember Beatrice Proo	- Pico Rivera
Councilmember Pam O'Connor	- Santa Monica

EX-OFFICIO MEMBER APPOINTED BY THE GOVERNOR

Robert Sassaman

CONSTRUCTION COMMITTEE EX-OFFICIO MEMBERS

George Battey, Jr.
William Dahl

As of June 30, 2001

Financial





Report of Independent Accountants

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") at June 30, 2001 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, 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 our opinion.

Our audit was conducted 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 the 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 our report dated November 2, 2001 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 2, 2001

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General Purpose Financial Statements

Los Angeles County Metropolitan Transportation Authority
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 2001
 (Amounts expressed in thousands)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
ASSETS AND OTHER DEBITS			
ASSETS:			
Cash and cash equivalents (Note 2)	\$ 111,416	\$ 668,138	\$ -
Investments (Note 2)	-	-	-
Receivables (net of allowances for uncollectibles):			
Accounts	705	-	-
Intergovernmental	16,086	668	-
Sales Tax	-	84,371	-
Interest	1,102	4,978	2,427
Leases and other	929	4,950	4,028
Due from other funds (Note 9)	3,276	11,983	-
Advances to other funds (Note 9)	-	12,870	-
Inventories	-	-	-
Prepaid items and other assets	351	32,619	-
Restricted assets:			
Cash and cash equivalents (Note 2)	-	10,266	345,141
Investments (Note 2)	-	-	62,808
Fixed assets - net (Note 3)	-	-	-
OTHER DEBITS			
Amount available in debt service fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 133,865</u>	<u>\$ 830,843</u>	<u>\$ 414,404</u>

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	
\$ 103,157	\$ 72,900	\$ 37,581	\$ -	\$ -	\$ -	\$ 993,192
1,809	-	-	-	-	-	1,809
48,867	20,756	-	-	-	-	70,328
60,260	76,066	-	-	-	-	153,080
-	-	-	-	-	-	84,371
359	566	627	1,894	-	-	11,953
8,717	187	201	1,787	-	-	20,799
4,840	12,607	32,793	-	-	-	65,499
-	-	-	-	-	-	12,870
-	57,468	-	-	-	-	57,468
891	6,567	40	192	-	-	40,660
207	39,301	-	10,379	-	-	405,294
24,367	127,349	-	657,302	-	-	871,826
-	5,925,881	-	-	1,624,724	-	7,550,605
-	-	-	-	-	260,547	260,547
-	-	-	-	-	3,264,426	3,264,426
<u>\$ 253,474</u>	<u>\$ 6,339,648</u>	<u>\$ 71,242</u>	<u>\$ 671,554</u>	<u>\$ 1,624,724</u>	<u>\$ 3,524,973</u>	<u>\$ 13,864,727</u>

(continued)

Los Angeles County Metropolitan Transportation Authority
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 2001
 (Amounts expressed in thousands)

	Governmental Fund Types		
	General	Special Revenue	Debt Service
LIABILITIES, EQUITY AND OTHER CREDITS			
LIABILITIES:			
Accounts payable	\$ 9,535	\$ 80,196	\$ 1,436
Accrued liabilities	11	-	-
Claims and judgments payable (Note 11)	-	-	-
Due to other funds (Note 9)	-	26,448	-
Advances from other funds (Note 9)	-	-	-
Accrued interest payable	-	-	79,020
Compensated absences payable (Note 8)	-	-	-
Bonds and notes payable - current	-	-	73,401
Due to other governments	13	321	-
Deferred revenues	16,170	-	-
Post-retirement benefits payable (Note 8)	-	-	-
Bonds and notes payable (Note 4)	-	-	-
Other liabilities	264	-	-
TOTAL LIABILITIES	25,993	106,965	153,857
EQUITY AND OTHER CREDITS:			
Investment in general fixed assets	-	-	-
Retained earnings (deficit)	-	-	-
Capital grants (contributed capital):			
Federal	-	-	-
State	-	-	-
Local	-	-	-
Fund balances (Note 13):			
Reserved for memoranda of understanding	-	557,853	-
Reserved for encumbrances	18,834	-	-
Reserved for prepaid and other assets	351	32,619	-
Reserved for interfund receivable	-	12,870	-
Reserved for debt service	-	-	260,547
Reserved for employee retirements	-	-	-
Unreserved, designated for planning & administration	67,283	-	-
Unreserved, designated for transportation improvements	-	120,536	-
Unreserved, undesignated	21,404	-	-
TOTAL EQUITY AND OTHER CREDITS	107,872	723,878	260,547
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 133,865	\$ 830,843	\$ 414,404

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	
\$ 116,152	\$ 40,236	\$ 10,661	\$ 1,069	\$ -	\$ -	\$ 259,285
-	13,277	8,699	-	-	-	21,987
21,006	125,574	822	-	-	-	147,402
6,258	-	32,793	-	-	-	65,499
-	12,870	-	-	-	-	12,870
-	10,356	-	2,709	-	-	92,085
-	31,695	17,794	-	-	-	49,489
-	18,665	-	7,910	-	-	99,976
-	-	-	33,042	-	-	33,376
28,827	10,349	-	-	-	-	55,346
-	70,328	-	-	-	-	70,328
-	323,525	-	-	-	3,524,973	3,848,498
204	0	473	-	-	-	941
<u>172,447</u>	<u>656,875</u>	<u>71,242</u>	<u>44,730</u>	<u>-</u>	<u>3,524,973</u>	<u>4,757,082</u>
-	-	-	-	1,624,724	-	1,624,724
-	(63,293)	-	-	-	-	(63,293)
-	2,493,519	-	-	-	-	2,493,519
-	410,336	-	-	-	-	410,336
-	2,842,211	-	-	-	-	2,842,211
-	-	-	-	-	-	557,853
385,815	-	-	-	-	-	404,649
891	-	-	-	-	-	33,861
-	-	-	-	-	-	12,870
-	-	-	-	-	-	260,547
-	-	-	626,824	-	-	626,824
-	-	-	-	-	-	67,283
-	-	-	-	-	-	120,536
(305,679)	-	-	-	-	-	(284,275)
<u>81,027</u>	<u>5,682,773</u>	<u>-</u>	<u>626,824</u>	<u>1,624,724</u>	<u>-</u>	<u>9,107,645</u>
<u>\$ 253,474</u>	<u>\$ 6,339,648</u>	<u>\$ 71,242</u>	<u>\$ 671,554</u>	<u>\$ 1,624,724</u>	<u>\$ 3,524,973</u>	<u>\$ 13,864,727</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, 2001
 (Amounts expressed in thousands)

Exhibit 2

	Governmental Funds				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
REVENUES:					
Sales tax	\$ -	\$ 1,365,649	\$ -	\$ -	\$ 1,365,649
Intergovernmental	4,471	65,533	3,304	349,709	423,017
Investment income	6,751	42,755	15,038	8,198	72,742
Net appreciation (decline) in fair value of investments	1,830	7,838	1,367	(1,518)	9,517
Lease and rental	12,960	-	-	-	12,960
Licenses and fines	526	6,505	-	-	7,031
Other	4,149	3,046	-	129	7,324
TOTAL REVENUES	30,687	1,491,326	19,709	356,518	1,898,240
EXPENDITURES:					
Current:					
Administration and other	61,062	48,228	-	45,331	154,621
Transportation subsidies	1,708	617,463	-	-	619,171
Capital outlay	-	-	-	314,267	314,267
Debt service:					
Interest and fiscal charges	-	-	189,808	-	189,808
Bond principal & commercial paper retirement	-	-	78,881	-	78,881
TOTAL EXPENDITURES	62,770	665,691	268,689	359,598	1,356,748
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,083)	825,635	(248,980)	(3,080)	541,492
OTHER FINANCING SOURCES (USES):					
Operating transfers in	41,277	-	354,462	50,913	446,652
Operating transfers out	(651)	(774,938)	(121,344)	(32,461)	(929,394)
Proceeds from financing	-	55,277	431,874	5,199	492,350
Payment to refunding bond escrow agent	-	-	(408,675)	-	(408,675)
TOTAL OTHER FINANCING SOURCES (USES)	40,626	(719,661)	256,317	23,651	(399,067)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	8,543	105,974	7,337	20,571	142,425
Fund balances - beginning of year	99,329	617,904	277,781	60,456	1,055,470
Transfer of liability related to Residual equity transfer	-	-	(24,571)	-	(24,571)
FUND BALANCES - END OF YEAR	\$ 107,872	\$ 723,878	\$ 260,547	\$ 81,027	\$ 1,173,324

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, 2001
 (Amounts expressed in thousands)

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Sales tax	\$ -	\$ -	\$ -	\$ 1,284,630	\$ 1,365,649	\$ 81,019
Intergovernmental	10,902	4,471	(6,431)	60,717	65,533	4,816
Investment income	949	6,751	5,802	21,270	42,755	21,485
Net appreciation (decline) in fair value of investments	-	1,830	1,830	-	7,838	7,838
Lease and rental	11,295	12,960	1,665	-	-	-
Licenses and fines	250	526	276	7,300	6,505	(795)
Other	3,212	4,149	937	-	3,046	3,046
TOTAL REVENUES	26,608	30,687	4,079	1,373,917	1,491,326	117,409
EXPENDITURES:						
Current:						
Administration and other	79,703	61,062	18,641	89,010	48,228	40,782
Transportation subsidies	500	1,708	(1,208)	620,067	617,463	2,604
Capital Outlay	-	-	-	-	-	-
Debt and interest expenditures	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Bond principal & commercial paper retirement	-	-	-	-	-	-
Joint development expenditure	-	-	-	-	-	-
TOTAL EXPENDITURES	80,203	62,770	17,433	709,077	665,691	43,386
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,595)	(32,083)	21,512	664,840	825,635	160,795
Other financing Sources (Uses):						
Operating transfers in	32,439	41,277	8,838	-	-	-
Operating transfers out	(300)	(651)	(351)	(838,945)	(774,938)	64,007
Proceeds from financing	-	-	-	-	55,277	55,277
Payment to refunding bond escrow agent	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	32,139	40,626	8,487	(838,945)	(719,661)	119,284
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(21,456)	8,543	29,999	(174,105)	105,974	280,079
Fund balances - beginning of year	99,329	99,329	-	617,904	617,904	-
Transfer of liability related to residual equity transfer	-	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ 77,873	\$ 107,872	\$ 29,999	\$ 443,799	\$ 723,878	\$ 280,079

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,424	3,304	880	370,330	349,709	(20,621)
-	15,038	15,038	-	8,198	8,198
-	1,367	1,367	-	(1,518)	(1,518)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	129	129
<u>2,424</u>	<u>19,709</u>	<u>17,285</u>	<u>370,330</u>	<u>356,518</u>	<u>(13,812)</u>
-	-	-	44,385	45,331	(946)
-	-	-	-	-	-
-	-	-	562,830	314,267	248,563
202,828	189,808	13,020	-	-	-
77,370	78,881	(1,511)	-	-	-
-	-	-	-	-	-
<u>280,198</u>	<u>268,689</u>	<u>11,509</u>	<u>607,215</u>	<u>359,598</u>	<u>247,617</u>
(277,774)	(248,980)	28,794	(236,885)	(3,080)	233,805
277,774	354,462	76,688	113,924	50,913	(63,011)
-	(121,344)	(121,344)	(84,081)	(32,461)	51,620
365,000	431,874	66,874	174,000	5,199	(168,801)
(365,000)	(408,675)	(43,675)	-	-	-
<u>277,774</u>	<u>256,317</u>	<u>(21,457)</u>	<u>203,843</u>	<u>23,651</u>	<u>(180,192)</u>
-	7,337	7,337	(33,042)	20,571	53,613
277,781	277,781	-	60,456	60,456	-
-	(24,571)	(24,571)	-	-	-
<u>\$ 277,781</u>	<u>\$ 260,547</u>	<u>\$ (17,234)</u>	<u>\$ 27,414</u>	<u>\$ 81,027</u>	<u>\$ 53,613</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, 2001
 (Amounts expressed in thousands)

	Proprietary Fund Types		Totals (Memorandum only)
	Enterprise	Internal Service	
OPERATING REVENUES:			
Passenger fares	\$ 213,989	\$ -	\$ 213,989
Route subsidies	771	-	771
Auxiliary transportation	12,227	-	12,227
Charges for services	-	459,678	459,678
TOTAL OPERATING REVENUES	226,987	459,678	686,665
OPERATING EXPENSES:			
Transportation	469,386	-	469,386
Maintenance	248,150	-	248,150
General and administrative	37,734	-	37,734
Depreciation	281,694	-	281,694
Salaries and wages	-	195,764	195,764
Fringe benefits	-	226,155	226,155
Allocable costs	-	42,476	42,476
TOTAL OPERATING EXPENSES	1,036,964	464,395	1,501,359
OPERATING INCOME (LOSS)	(809,977)	(4,717)	(814,694)
NONOPERATING REVENUES / (EXPENSES):			
Local operating grants	621	-	621
Federal operating grants	60,128	-	60,128
Interest revenue	7,441	3,255	10,696
Net appreciation (decline) in fair value of investments	1,696	1,442	3,138
Interest expense	(15,644)	-	(15,644)
Gain (loss) on disposition of fixed assets	(1,802)	-	(1,802)
Other	5,614	20	5,634
TOTAL NONOPERATING REVENUES	58,054	4,717	62,771
(LOSS) BEFORE OPERATING TRANSFER IN	(751,923)	0	(751,923)
Operating transfers in	482,742	-	482,742
NET (LOSS) FOR THE YEAR	(269,181)	0	(269,181)
Add back depreciation on assets acquired with capital grants	281,694	-	281,694
INCREASE IN RETAINED EARNINGS	12,513	-	12,513
Retained earnings (deficit) - beginning of year	(75,806)	-	(75,806)
RETAINED EARNINGS (DEFICIT) - END OF YEAR	\$ (63,293)	\$ -	\$ (63,293)

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, 2001
 (Amounts expressed in thousands)

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash flow from operating activities:			
Operating loss	\$ (809,977)	\$ (4,717)	\$ (814,694)
Adjustment to reconcile operating loss to net cash used in operating activities:			
Depreciation	281,694	-	281,694
Net effect of changes in:			
Accounts receivable	1,627	-	1,627
Intergovernmental receivable	(62,818)	-	(62,818)
Leases and other receivable	928	189	1,117
Due from other funds	(12,607)	-	(12,607)
Advances to other funds	2,573	(1,789)	784
Inventories	(949)	-	(949)
Prepaid items and other assets	(939)	3,714	2,775
Accounts payable	9,027	(5,723)	3,304
Accrued liabilities	(50)	(2,533)	(2,583)
Claims and judgment payable	(22,041)	-	(22,041)
Due to other funds	-	986	986
Advances from other funds	(1,159)	-	(1,159)
Compensated absences payable	1,625	990	2,615
Deferred revenues	133	-	133
Post-retirement benefits payable	(1,762)	-	(1,762)
Other liabilities	-	129	129
Net cash used in operating activities	<u>(614,695)</u>	<u>(8,754)</u>	<u>(623,449)</u>
Cash flow from non-capital financing activities:			
Proceeds from operating grants	60,749	-	60,749
Operating transfers in from other funds	482,742	-	482,742
Proceeds from sale of miscellaneous obsolete parts and other	5,614	20	5,634
Net cash provided by non-capital financing activities	<u>549,105</u>	<u>20</u>	<u>549,125</u>
Cash flow from capital and related financing activities:			
Proceeds from capital grants received	9,865	-	9,865
Residual equity transfer	24,571	-	24,571
Proceeds from disposition of fixed assets	88	-	88
Payment of matured bonds and notes payable	(18,165)	-	(18,165)
Interest paid on bonds and notes payable	(10,882)	-	(10,882)
Net cash provided by capital and related financing activities	<u>5,477</u>	<u>-</u>	<u>5,477</u>
Cash flow from investing activities:			
Proceeds from sales and maturity of investments	157,899	-	157,899
Purchase of investments	(177,936)	-	(177,936)
Interest received on pooled cash and investments	9,086	5,115	14,201
Net cash provided by (used in) investing activities	<u>(10,951)</u>	<u>5,115</u>	<u>(5,836)</u>
Net decrease in cash and cash equivalents	(71,064)	(3,619)	(74,683)
Cash and cash equivalents - beginning of year	<u>183,265</u>	<u>41,200</u>	<u>224,465</u>
Cash and cash equivalents - end of year	<u>\$ 112,201</u>	<u>\$ 37,581</u>	<u>\$ 149,782</u>
Supplemental schedule of noncash investing, capital and financing transactions:			
Transfer of fixed assets from General Fixed Assets Account Group	\$ 257,004	\$ -	\$ 257,004
Transfer of bonds and notes payable from General Long-Term Debt Account Group	185,735	-	185,735
Transfer of fixed assets to Enterprise Fund	-	134,118	134,118
Transfer of fixed assets from Internal Service Fund	134,118	-	134,118
Net appreciation in fair value of investments	1,696	1,442	3,138

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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit 6

	<u>2001</u>	<u>2000</u>
ADDITIONS		
Contributions		
Employer	\$ 14,624	\$ 12,593
Member	13,735	15,924
Total contributions	<u>28,359</u>	<u>28,517</u>
Investment income		
Net appreciation (depreciation) in fair value of investments	(53,194)	55,187
Investment income	11,224	10,498
Other revenue	279	-
Net investment (loss) income	<u>(41,691)</u>	<u>65,685</u>
TOTAL (REDUCTION) ADDITIONS	<u>(13,332)</u>	<u>94,202</u>
DEDUCTIONS		
Retiree benefits	39,001	68,374
Administrative expense	890	882
TOTAL DEDUCTIONS	<u>39,891</u>	<u>69,256</u>
NET INCREASE (DECREASE)	(53,223)	24,946
Net assets held in trust for pension benefits, July 1	<u>680,047</u>	<u>655,101</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS JUNE 30	<u>\$ 626,824</u>	<u>\$ 680,047</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, 2001

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, 2001

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, 2001

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 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 1.2 million passengers on 3,100 miles of bus lines.

The MTA operates three Metro Rail lines. The Metro Red Line is a 13-mile heavy rail line providing service from Downtown Los Angeles (Union Station) to Mid-Wilshire and the San Fernando Valley (North Hollywood). This heavy rail line serves approximately 130,000 weekday passengers. The Metro Blue Line is a 22-mile light rail line between the cities of Los Angeles and Long Beach, serving approximately 64,000 weekday passengers. The Metro Green Line is a 20-mile light rail line between the cities of Norwalk and El Segundo with approximately 28,000 boardings daily. 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 16 municipal bus operators, developing light, heavy and commuter rail

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

projects and programming regional funds for improvement to the County highway system.

Engineering and Construction

The Board has approved three new projects for which the preliminary engineering has been completed for two new transit corridors, the East Los Angeles Light Rail Project and the Bus Rapid Transit (BRT) for the San Fernando Valley, and preliminary design has been submitted for a Light Rail Project along Exposition boulevard. Platform extensions for the Metro Blue Line to Long Beach have been constructed to accommodate the addition of a third car

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 those that conflict with or contradict GASB pronouncements. The 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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary, as described below.

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

General Fund 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. 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 Funds are 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:

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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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, 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 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. During the year ended June 30, 2001 the Board approved an amendment to the Capital Budget of \$16,400,000. There were no other amendments.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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
- An annual budget is adopted for the capital projects fund at the total generic fund type level
- 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 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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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. The cost of fixed assets recorded at an estimated historical cost is not material. 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 is included in the accompanying statement of revenues, expenses and changes in retained earnings and amortized against the contributed capital accounts.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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.

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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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.

2. CASH AND INVESTMENTS

At June 30, 2001, the MTA's carrying amount of cash in checking and money market accounts was \$326,551,000 while the bank balance was \$341,732,000 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 \$341,532,000 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.

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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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:

Category 1: Insured or registered, or securities held by the bank's trust department or its agent in the MTA's name.

Category 2: Uninsured or unregistered, with securities held by the counter-party's trust department or agent in the MTA's name.

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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

Investments at June 30, 2001 consisted of the following (in thousands):

	Categories			Fair Value
	1	2	3	
U.S. Treasury Securities	\$ 75,951		\$	\$ 75,951
U.S. Agency Securities	436,387			436,387
Commercial Paper	312,567			312,567
Corporate Notes & Bonds	364,939			364,939
State and Local Gov't Securities	1,047			1,047
Total	\$ 1,190,891	-	\$ -	1,190,891
Investments not subject to categorization:				
Mutual Funds				131,795
Investment Contracts				152,260
Investment Pools				470,624
Total				754,679
Total Investments				\$ 1,945,570

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, 2001

A reconciliation of Cash and Investments as shown on the Combined Balance Sheet for all funds at June 30, 2001 is as follows (in thousands):

Cash	\$ 326,551
Investments	<u>1,945,570</u>
Total	<u>\$ 2,272,121</u>

Reported as:

Cash and cash equivalents	\$ 993,192
Investments	1,809
Restricted cash and cash equivalents	405,294
Restricted investments	<u>871,826</u>
Total	<u>\$ 2,272,121</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 \$12,960,000. 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 \$3,138,000. The net depreciation in fair value of investments reported in the Combined Statement of Revenues, Expenses and Changes in Retained Earnings for the pension trust fund was \$53,195,000. 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, 2001 is as follows (in thousands):

	Balance June 30, 2000	Additions	Transfers	Balance June 30, 2001
Land	\$ 714,420	\$ -	\$ -	\$ 714,420
Contributed Capital				
SCRRA	157,783	8,396	-	166,179
Pasadena Rail Authority	70,034	-	-	70,034
Construction in Progress:				
Metro Rail, MOS 2 facilities	-	36,417	(36,417)	-
Metro Rail, MOS 3 facilities	124,200	52,101	(52,101)	124,200
Pasadena Line	235,372	1,472	-	236,844
Other construction in progress	262,323	59,037	(8,313)	313,047
Total	<u>\$ 1,564,132</u>	<u>\$ 157,423</u>	<u>\$ (96,831)</u>	<u>\$ 1,624,724</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

The following is a summary of Enterprise Fund fixed assets at June 30, 2001 (in thousands):

	<u>Enterprise</u>
Land	\$ 612,268
Building and Structures	5,069,407
Vehicles	1,274,816
Bus Maintenance and Office Equipment	<u>768,335</u>
Total Cost	7,724,826
Less: Accumulated Depreciation	<u>1,798,945</u>
Net Fixed Assets	<u>\$ 5,925,881</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, 2001 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 and equipment.

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 expire 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 governmental entities in the County by issuing bonds collateralized by sales tax revenues that are allocated to the entity. The necessary funds are withheld by the bond trustee from the MTA's portion of Local Return sales tax revenue receipts in order to fund debt service on the bonds.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

Leveraged Lease Revenue Bonds were issued as part of a sale/leaseback 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 Japanese Yen. The lease arrangement has a purchase option equal to 10% of the original Purchase price (\$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 sublease payments equal the amount of the lease payments due on the Certificate of Participation. 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 one to 270 days at various interest rates. Under the terms of the notes, MTA can rollover or extend the principal amounts due. Interest on matured notes is paid on a current basis. Maturing principal amounts are typically funded by the sale of new notes. The proceeds from the CPNs have been used to finance capital expenditures for construction and capital acquisition.

The taxable and tax-exempt commercial paper programs are supported by direct-pay, irrevocable letters of credit. A single bank with an AAA credit rating provides the taxable commercial paper letter of credit. A syndicate of five banks, whose credit ratings range from AA- to AAA, issues the letters of credit supporting the tax-exempt commercial paper program. 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 a 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 quarterly principal payments. Interest is charged at the base rate as defined in the applicable Reimbursement Agreement. The letter of credit agreement supporting the taxable commercial paper program expires in June 2002, while the letter of credit agreement supporting the tax-exempt commercial paper program expires in December 2002.

Redevelopment Bonds and Housing Bonds were issued to fund a rail joint development project intended to increase utilization of the Red Line. The MTA entered into an agreement with the Community Redevelopment Financing Authority

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

(CRFA) of the Community Redevelopment Agency of the City of Los Angeles (CRA) to assist in the financing of the Grand Central Square Multi-family Housing and Redevelopment Project. Under this agreement, a housing bond and a redevelopment bond were issued. The project is completed and MTA is currently making payments for the debt service related to these bonds. Under a reimbursement agreement, collateralized by real property of the Grand Central Square Project, the developer is to repay MTA the amounts advanced as debt service.

A Lease to Service Obligation was incurred in June 2000 (note 6). The payments under the lease arrangement are due annually. Funds sufficient to cover all scheduled payments through the early buyout date 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, 2001, (in thousands):

	Balance June 30, 2000	Additions	Payments	Balance June 30, 2001
Bonded Debt:				
Sales Tax Revenue Bonds and Refunding Bonds	\$ 2,914,975	\$ 408,895	\$ (265,965)	\$ 3,057,905
Sales Tax Revenue Bonds - Local Allocation	17,360	-	(2,170)	15,190
Grand Central Square Bonds				
Redevelopment Bonds	21,665	-	-	21,665
Housing Bonds	9,455	-	-	9,455
Lease/leaseback to Service Obligation	166,059	-	(5,362)	160,697
General Revenue Bonds	185,735	-	(185,735)	-
Lease Revenue Bonds	23,648	-	(1,971)	21,677
Total Bonded Debt	<u>3,338,897</u>	<u>408,895</u>	<u>(461,203)</u>	<u>3,286,589</u>
Commercial Paper Notes	375,690	60,475	(202,964)	233,201
Certificates of Participation	7,975	-	(2,792)	5,183
Total	<u>\$ 3,722,562</u>	<u>\$ 469,370</u>	<u>\$ (666,959)</u>	<u>\$ 3,524,973</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
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At June 30, 2001 the MTA had 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 Refunding Bonds, Series 1991-B	1991	2018	4.90%-6.50%	\$ 281,425	\$ 67,335
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	50,900
Sales Tax Revenue Refunding Bonds, Series 1993-A	1993	2021	3.50%-6.25%	560,570	543,160
Sales Tax Revenue Bonds Series 1996-A	1996	2026	4.40%-6.00%	110,580	16,565
Sales Tax Revenue Refunding Bonds, Series 1996	1996	2026	5.50%-6.18%	104,715	22,155
Sales Tax Revenue Refunding Bonds, Series 1997-A	1997	2027	5.125%-8.375%	256,870	250,605
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	135,115
Sales Tax Revenue Refunding Bonds, Series 1999-C	1999	2026	4.25%-6.00%	170,495	170,100
Sales Tax Revenue Refunding Bonds, Series 2001-A	2001	2031	4.00%-5.06%	55,685	55,685
Sales Tax Revenue Refunding Bonds, Series 2001-B	2001	2018	3.75%-5.25%	191,215	191,215
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1992-A	1992	2023	3.75%-6.75%	516,855	69,690
Sales Tax Revenue Proposition C Refunding Bonds, Second Sr. Bonds, Series 1993-A	1993	2020	Variable	204,095	200,710
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1993-B	1993	2023	4.75%-8.00%	312,350	284,935
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 1995-A	1995	2025	4.40%-5.75%	250,000	240,660
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	120,940
Sales Tax Revenue Proposition C Second Sr. Bonds, Series 2000-A	2000	2030	4.00%-5.25 %	161,995	159,520
Sales Tax Revenue Proposition C Local Allocation, Series 1999-A	1999	2008	4.00%-4.30%	21,700	15,190
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
Lease Revenue Bonds	1990	2006	7.38%	26,400	11,084
Yen Obligation	1990	2006	4.94%	6,600	10,593
Lease/leaseback Obligation	2000	2022	7.30%	166,059	160,697
Certificates of Participation, Series 1991-G	1991	2004	4.90%-6.50%	19,340	4,313
Certificates of Participation, Series 1992-C	1992	2004	2.90%-6.00%	3,390	870
Commercial Paper Notes	1991	Various	Various	423,500	233,201
Total				\$ 4,736,377	\$ 3,524,973

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

The annual funding requirements for principal and interest of the general long-term debt account group liability at June 30, 2001 are as follows (in thousands):

Year Ending June 30	Bonded Debt	Other Debt	Governmental Funds Debt
2002	\$ 249,047	\$ 8,942	\$ 257,989
2003	249,563	9,833	259,396
2004	249,117	9,734	258,851
2005	249,060	7,619	256,679
2006	248,889	7,619	256,508
Thereafter	4,662,680	408,451	5,071,131
Total principal and interest	5,908,356	452,198	6,360,554
Less: Amount representing interest and accreted value	2,621,767	213,814	2,835,581
Total	\$ 3,286,589	\$ 238,384	\$ 3,524,973

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, 2001, 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 1992 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, 2001 was \$108,200,000.

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, 2001 was \$29,590,000.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

General Revenue Bonds were issued to finance the cost of the 27-story headquarters building for the MTA, including parking and related improvements. The MTA is required to make annual payments from \$780,000 beginning on July 1, 2006 to \$22,915,000 on July 1, 2025. The fixed interest rate ranges from 5.00% to 5.9% for the period 1997 to 2025. The total principal amount outstanding recorded in the enterprise fund at June 30, 2001 was \$185,735,000.

The annual funding requirements (principal and interest) for the long-term debt outstanding of the Proprietary Fund type at June 30, 2001 are as follows (in thousands):

Year Ending June 30	Annual Funding Requirements
2002	\$ 38,707
2003	38,023
2004	37,382
2005	26,934
2006	27,574
Thereafter	395,917
Total Principal and Interest	564,537
Less: Amount representing Interest	241,012
Total	\$323,525

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. ADVANCE REFUNDING OF DEBT

The MTA refunded bond issues in advance by issuing \$191,215,000 Refunding Series 2001B to provide resources to purchase U.S. Government securities. The proceeds from the sale of the bonds, including the premium funds received, were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$199,380,000 of refunded debt. As a result, the refunded bonds are considered to be legally defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payment over the next 17 years by \$40,107,000 and resulted in an economic gain of \$27,458,000.

6. 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 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 to service" agreements leasing 72 Breda heavy rail vehicles. These arrangements are similar to prior lease/leaseback transactions but have a 25-year service period at the end of lease/leaseback period under certain conditions. The addition of the three year 2000 leases are substantially identical except that two have 22-year purchase options and the third has a 19-year purchase option. The MTA entered into three head leases to lease the cars to trusts (investors) and simultaneously entered into sublease agreements to lease them back. The MTA received prepayments of a portion of the head lease rent from the investors of approximately \$182.6 million, of which, it used approximately \$166.0 million to place two types of investments that are 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 investment together with the principal amounts are structured to be sufficient to cover

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

the scheduled amounts due under the finance obligation through the early buyout date. \$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.

7. 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, 2001 were \$5,639,000. Future minimum lease payments for these leases are as follows (in thousands):

Year Ending <u>June 30,</u>	
2002	\$1,961
2003	887
2004	446
2005	288
2006	153
Thereafter	<u>182</u>
Total	<u>\$3,917</u>

8. 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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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. The form of the normal benefit is a modified straight life annuity equal to 2% (benefit factor) of final average compensation (highest 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.

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, 2001, the contribution rate of covered payroll was 12.32%. 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, 2001, 2000, and 1999 were \$10,186,000, \$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, 2001, 2000 and 1999 were \$5,876,000, \$5,266,000 and \$4,963,000 respectively. At June 30, 2001, 2000 and 1999 there was no net pension obligation (NPO) for this fund.

The valuation date was June 30, 2000 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

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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 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 years ended June 30, 2001, 2000 and 1999 are as follows:

Contributions	United Transportation Union Plan	Transportation Communication Union Plan	Amalgamated Transit Union Plan	Non-Contract Employees Plan	Total
<u>2001</u>					
Employer	\$ 6,817,000	\$ 644,000	\$ 7,100,000	\$ 63,000	\$ 14,624,000
Employee	11,543,000	1,049,000	1,143,000	-	13,735,000
Total	<u>\$ 18,360,000</u>	<u>\$ 1,693,000</u>	<u>\$ 8,243,000</u>	<u>\$ 63,000</u>	<u>\$ 28,359,000</u>
<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	0	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	\$ 14,592,000
Employee	4,131,000	545,000	3,135,000	-	7,811,000
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, 2001 were made in accordance with the actuarially determined requirements computed as of December 31, 2000. Actuarially computed costs are determined using the projected unit credit cost method. The total ARC, was paid in full for all plans, for the years ended June 30, 2001, 2000, and 1999 was \$14,623,942, \$12,592,000 and \$14,354,000 respectively, which also was the annual pension cost for both periods since there was no NPO at

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

June 30, 2001, 2000 or 1999. The required contribution rate by employees for years ended June 30, 2001, 2000 and 1999, was between 0% to 7.73%, 4.62% to 7.25% and 4.23% to 6.99% respectively, of their annual wages. The employer rate is equal to ARC. The method of ½ book value + ½ 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 8.5% 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 3,200 participants was \$9,048,000 for the year ended June 30, 2001 and MTA contributions are funded on a pay-as-you-go-basis. The outstanding long-term liability for the post-retirement benefits as of June 30, 2001 is \$83,328,000.

Other Employee Benefits

The following is a summary of the compensated absences payable at June 30, 2001 (in thousands):

	<u>Union</u>	<u>Non-Union</u>	<u>Total</u>
Vacation	\$ 20,788	\$ 5,566	\$ 26,354
Sick Leave	10,760	1,265	12,025
TOWP	418	10,691	11,109
Total	<u>\$ 31,966</u>	<u>\$ 17,522</u>	<u>\$ 49,488</u>

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Notes to Combined Financial Statements (continued)
June 30, 2001

9. INTERFUND RECEIVABLES AND PAYABLES

The following is a table summarizing interfund balances at June 30, 2001 (in thousands):

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise Fund	TDA Fund	\$ 12,514
Enterprise fund	STA Fund	93
General Fund	Heavy Rail Fund	3,276
STA Fund	Bus & Rail Capital Fund	273
Proposition C Fund	TDA Fund	3,672
Proposition A Fund	TDA Fund	4,544
Bus & Rail Capital Fund	TDA Fund	2,131
Proposition C Fund	FEMA Fund	3,494
Bus & Rail Capital Fund	Other Capital Funds	2,709
MTA Internal Service Fund	PRMA Fund	3,846
PTSC Fund	MTA Internal Service Fund	24,839
PRMA Fund	MTA Internal Service Fund	1,031
PRMA Fund	PTSC Fund	3,077
	Total	<u>\$ 65,499</u>

Advances To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise Fund	TDA Fund	\$ 250
Proposition A Fund	Enterprise Fund	5,830
Proposition C Fund	Enterprise Fund	6,790
	Total	<u>\$ 12,870</u>

10. 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.

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The plan is managed by a third party plan administrator and trustee. Employee deferrals can be allocated among several investment options as directed by the employee. Although the employee is always 100% vested in the plan, withdrawals are not available to employees until termination, retirement, death or unforeseeable emergency. In the opinion of management, the MTA has no liability for losses under the plans, but does have the fiduciary responsibility of due professional care that would be required from a prudent investor. Accordingly, the assets of the deferred compensation plan and the related liability to employees are not reported in the fiduciary fund. At June 30, 2001 the deferred compensation plans had assets (at fair value) totaling \$162,368,000.

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 \$10,500 in calendar year 2000. 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, 2001, the 401(k) savings plan had assets (at market value) totaling \$104,004,000.

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 \$8,500

11. 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.

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Notes to Combined Financial Statements (continued)
June 30, 2001

Risk Financing

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, 2001 the amount of settlements for the last three fiscal years did not exceed the insurance coverage in force on the reporting date. At June 30, 2001, a liability of \$21,006,000 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, 2001 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, 2001, is \$79,868,000 for claims arising prior to September 1, 1998. 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 workers' compensation coverage to both companies. Claims arising on and after September 1, 1998 are reinsured through PRMA.

The MTA is partially self-insured for public liability and property damage (PL/PD) for non-construction activities up to \$4,500,000 per occurrence. MTA has acquired outside insurance coverage for losses in excess of this amount. The MTA reserves set aside for the incurred and outstanding liabilities as of June 30, 2001 are \$46,529,000 for liabilities under the \$4,500,000 self-insured retention.

In addition, the MTA has an all-risk property insurance policy to protect real and personal property and rolling stock. The property insurance policy covers insurable values of \$4,800,000,000. The policies also contain an earthquake sub-limit of \$65,000,000 with a 5% of value per site deductible. The amount of settlements has never exceeded the insurance coverage.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

The following table summarizes changes in the claims and judgments reserves for the years ended June 30, 2001 and 2000 (in thousands):

	Construction		Property and Casualty		Workers' Compensation		Total	
	2001	2000	2001	2000	2001	2000	2001	2000
Unpaid claims and claim adjustment reserves - beginning of year	\$21,005	\$20,785	\$45,634	\$39,589	\$102,803	\$132,873	\$169,442	\$193,247
Incurred claims and claim adjustment expense:								
Provisions for insured events of the current fiscal years	-	317	23,858	26,253	-	-	23,858	26,570
Increases in provision for insured Events of prior fiscal years	4,206	10,607	-	181	-	105	4,206	10,893
Interest income	-	1,147	1,583	1,263	3,786	4,469	5,369	6,879
Total incurred claims, claims adjustment expense & interest income	<u>25,211</u>	<u>32,856</u>	<u>71,075</u>	<u>67,286</u>	<u>106,589</u>	<u>137,447</u>	<u>202,875</u>	<u>237,589</u>
Payments:								
Attributable to insured events of the current fiscal year	-	-	-	(1,662)	-	-	-	(1,662)
Attributable to insured events of prior fiscal years	<u>(4,205)</u>	<u>(11,851)</u>	<u>(24,546)</u>	<u>(19,990)</u>	<u>(26,721)</u>	<u>(34,644)</u>	<u>(55,472)</u>	<u>(66,485)</u>
Total Payments	<u>(4,205)</u>	<u>(11,851)</u>	<u>(24,546)</u>	<u>(21,652)</u>	<u>(26,721)</u>	<u>(34,644)</u>	<u>(55,472)</u>	<u>(68,147)</u>
Total unpaid claims and claim adjustment Reserves - end of the year	<u>\$21,006</u>	<u>\$21,005</u>	<u>\$46,529</u>	<u>\$45,634</u>	<u>\$79,868</u>	<u>\$102,803</u>	<u>\$147,403</u>	<u>\$169,442</u>

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

12. CHANGES IN PROPRIETARY FUND EQUITY BALANCES

The changes in the enterprise and internal service fund (deficit) equity balances for the year ended June 30, 2001 are as follows (in thousands):

	Retained Earnings (Deficit)	Contributed Capital			Total
		Federal	State	Local	
<u>Enterprise Fund</u>					
Balance, July 1, 2000	\$ (75,806)	\$ 2,417,792	\$ 443,020	\$ 2,956,831	\$ 5,741,837
Increase in Retained Earnings	12,513	-	-	-	12,513
Depreciation on assets acquired with capital grants	-	(161,667)	(33,573)	(86,454)	(281,694)
Assets acquired with capital grants	-	237,394	889	(28,166)	210,117
Balance, June 30, 2001	\$ (63,293)	\$ 2,493,519	\$ 410,336	\$ 2,842,211	\$ 5,682,773
<u>Internal Service Fund</u>					
Balance July 1, 2000	\$ -	\$ -	\$ -	\$ 134,118	\$ 134,118
Transfer depreciation to the Enterprise Fund	-	-	-	(134,118)	(134,118)
Balance, June 30, 2001	\$ -	\$ -	\$ -	\$ -	\$ -

13. 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, 2001

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.

14. DEFICIT FUND/RETAINED EARNINGS BALANCES

As of June 30, 2001, the Enterprise fund had a deficit retained earnings balance of \$63,293,000. Management intends to eliminate this deficit from future years' operations.

15. INDIVIDUAL FUNDS WITH EXCESS OF EXPENDITURES OVER APPROPRIATIONS

One Special Revenue fund exceeded budgeted expenditures (amount in thousands) as follows:

Transportation Development Act (TDA)	\$ 32,022
--------------------------------------	-----------

Transportation subsidies exceeded budget because sales tax revenues exceeded budget and are required to be passed through to the sub-recipients.

16. ENGINEERING AND CONSTRUCTION IN PROGRESS AND OTHER SIGNIFICANT COMMITMENTS

The Board on April 26, 2001 adopted a new Long Range Transportation Plan. This Long Range Transportation Plan is the first update since 1995, looks ahead at transportation needs over the next twenty-five years, from 2000 through 2025. The plan directs public expenditures of \$106 billion for a balanced transportation program with a strong emphasis on public transit to meet growth in travel. Among the projects to improve Los Angeles County is completion of the Eastside and Pasadena light rail projects, Alameda Corridor industrial rail and vehicular corridor, bus way for the San Fernando Valley, a new project from downtown to West Los Angeles and other fixed guideway projects through the year 2025.

Other major aspects of the plan include expansion of the successful Metro Rapid Bus program as a prominent component. The plan encourages more ridesharing, walking and

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

bike riding, telecommuting and improved management of truck traffic. Increased highway capacity is addressed by completing the countywide system of HOV (high occupancy vehicles) lanes and freeway gap closures to integrate circulation throughout the region. It is envisioned that more grade separations at railroad crossings and local arterial highway improvements will be made in cooperation with the 88 cities and the County of Los Angeles.

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 \$557.9 million for MOU commitments in various Special Revenue Funds.

17. 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.

18. 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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

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 Los Angeles Union Station.

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

The MTA has made capital contributions to the SCRRA totaling \$166,179,000 as of June 30, 2001.

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 ended June 30, 2001. Summary financial information for the SCRRA's proprietary funds as of and for the year ended June 30, 2000 (most recent data available) is as follows (in thousands):

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

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

19. SUBSEQUENT EVENTS

Lease/leaseback Agreement

In August 2001, the MTA entered into a long-term lease/leaseback agreement of five operating divisions. The transaction, known as a like-kind exchange, resulted in MTA receiving a net up front cash benefit of \$14,400,000. The early buyout date for the lease is 2026.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
Notes to Combined Financial Statements (continued)
June 30, 2001

In September 2001, the MTA entered into a lease/leaseback to service contract covering 25 light rail cars. The transaction resulted in the MTA receiving a net up front benefit of \$6.3 million.

Favorable Judgment

In August 2001, a Superior Court jury awarded the MTA \$29.5 million in damages against a contractor for unfair and improper business practices during construction of the Metro Red Line. The contractor is appealing the decision.

Unfavorable Judgment

In August 2001 the ninth U.S. Circuit Court of Appeals upheld a federal court order that requires the MTA to immediately purchase 248 buses of which 160 had already been acquired.

Self Insured for Workers Compensation Claims

MTA and PTSC Workers' Compensation claims which occur September 1, 2001 and thereafter are being administered in-house and funded through self-insurance.

**REQUIRED SUPPLEMENTAL
INFORMATION**

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 REQUIRED SUPPLEMENTAL INFORMATION
 For Fiscal Year Ended June 30, 2001

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)
PTSC						
6/30/98	\$ 42,164,000	\$ 62,782,000	\$ (20,618,000)	148.9%	\$ 73,968,000	(27.9)%
6/30/99	53,714,000	80,690,000	(26,976,000)	150.2%	71,098,000	(37.9)%
6/30/00	69,044,000	100,283,000	(31,239,000)	145.2%	77,968,000	(40.1)%
MTA						
<u>UTU</u>						
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%
12/31/00	325,791,000	261,163,000	64,628,000	80.16%	161,508,000	40.02%
<u>TCU</u>						
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)%
12/31/00	47,562,000	48,061,000	(499,000)	101.05%	24,145,000	(2.07)%
<u>ATU</u>						
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	148,410,000	10,440,000	93.43%	84,984,000	18.17%
12/31/00	178,615,000	155,311,000	23,304,000	86.95%	90,211,000	(25.83)%
<u>Non Contract</u>						
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)%
12/31/00	139,796,000	168,235,000	(28,439,000)	120.34%	26,907,000	(105.69)%
<u>Total</u>						
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%
12/31/00	691,764,000	632,770,000	58,995,000	91.47%	302,771,000	19.48%

General Fund

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

Los Angeles County Metropolitan Transportation Authority
 General Fund
 Comparative Balance Sheets
 June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit A-1

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 111,416	\$ 104,545
Receivables:		
Accounts	705	3,913
Intergovernmental	16,086	13,260
Interest	1,102	733
Leases and other	929	758
Due from other funds	3,276	-
Prepaid items and other assets	<u>351</u>	<u>727</u>
TOTAL ASSETS	<u><u>\$ 133,865</u></u>	<u><u>\$ 123,936</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 9,535	\$ 10,953
Accrued liabilities	11	16
Due to other governments	13	-
Deferred revenues	16,170	13,344
Other liabilities	<u>264</u>	<u>294</u>
TOTAL LIABILITIES	<u>25,993</u>	<u>24,607</u>
FUND BALANCES:		
Reserved for encumbrances	18,834	23,194
Reserved for memorandum of understanding	-	1,238
Reserved for prepaid and other assets	351	727
Designated for planning & administration	67,283	54,076
Unreserved, undesignated	<u>21,404</u>	<u>20,094</u>
TOTAL FUND BALANCES	<u>107,872</u>	<u>99,329</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 133,865</u></u>	<u><u>\$ 123,936</u></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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit A-2

	2001	2000
REVENUES:		
Intergovernmental	\$ 4,471	\$ 4,813
Investment income	6,751	3,123
Net appreciation (decline) in fair value of investments	1,830	(27)
Lease and rental	12,960	12,610
Licenses and fines	526	477
Proceeds from sales and leaseback	-	16,610
Other revenue	4,149	2,894
TOTAL REVENUES	30,687	40,500
EXPENDITURES:		
Current:		
Administration and other	61,062	27,045
Transportation subsidies	1,708	3,966
TOTAL EXPENDITURES	62,770	31,011
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32,083)	9,489
OTHER FINANCING SOURCES (USES):		
Operating transfers in	41,277	50,680
Operating transfers out	(651)	(10,602)
TOTAL OTHER FINANCING SOURCES (USES)	40,626	40,078
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	8,543	49,567
Fund balances - beginning of year	99,329	49,762
FUND BALANCES - END OF YEAR	\$ 107,872	\$ 99,329

Los Angeles County Metropolitan Transportation Authority
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit A-3

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 10,902	\$ 4,471	\$ (6,431)	\$ 10,375	\$ 4,813	\$ (5,562)
Investment income	949	6,751	5,802	1,500	3,123	1,623
Net appreciation (decline) in fair value of investments	-	1,830	1,830	-	(27)	(27)
Lease and rental	11,295	12,960	1,665	10,500	12,610	2,110
Licenses and fines	250	526	276	452	477	25
Proceeds from sales and leaseback	-	-	-	-	16,610	16,610
Other revenue	3,212	4,149	937	915	2,894	1,979
TOTAL REVENUES	26,608	30,687	4,079	23,742	40,500	16,758
EXPENDITURES:						
Administration and other	79,703	61,062	18,641	59,241	27,045	32,196
Transportation subsidies	500	1,708	(1,208)	7,455	3,966	3,489
TOTAL EXPENDITURES	80,203	62,770	17,433	66,696	31,011	35,685
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(53,595)	(32,083)	21,512	(42,954)	9,489	52,443
OTHER FINANCING SOURCES (USES):						
Operating transfers in	32,439	41,277	8,838	44,735	50,680	5,945
Operating transfers out	(300)	(651)	(351)	(5,102)	(10,602)	(5,500)
TOTAL OTHER FINANCING SOURCES (USES)	32,139	40,626	8,487	39,633	40,078	445
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(21,456)	8,543	29,999	(3,321)	49,567	52,888
Fund balances - beginning of year	99,329	99,329	-	49,762	49,762	-
FUND BALANCES - END OF YEAR	\$ 77,873	\$ 107,872	\$ 29,999	\$ 46,441	\$ 99,329	\$ 52,888

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for special purposes.

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

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

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

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.

Petroleum Violations Escrow Account (PVEA) - 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 Improvement 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 Proposal Fund for Freeway Service State TC1 - This fund is used to account for local and state grants that help fund the Freeway Service Patrol Project.

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

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

Los Angeles County Metropolitan Transportation Authority
Special Revenue Fund
Combining Balance Sheet
June 30, 2001
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	CMAQ TSM	Service Authority For Fwy Emergency	Transportation Development Act
ASSETS						
Cash and cash equivalents	\$ 108,156	\$ 369,664	\$ 15,779	\$ 27	\$ 25,914	\$ 145,949
Receivables:						
Intergovernmental	-	668	-	-	-	-
Sales tax	31,819	31,830	4,365	-	-	16,357
Interest	1,406	3,026	220	-	266	-
Leases and other	-	-	-	-	-	-
Due from other funds	4,544	7,166	273	-	-	-
Advances to other funds	5,830	6,790	-	-	-	250
Prepaid items and other assets	-	32,619	-	-	-	-
Restricted assets:						
Cash and cash equivalents	-	10,266	-	-	-	-
Total Current Assets	<u>151,755</u>	<u>462,029</u>	<u>20,637</u>	<u>27</u>	<u>26,180</u>	<u>162,556</u>
TOTAL ASSETS	<u>\$ 151,755</u>	<u>\$ 462,029</u>	<u>\$ 20,637</u>	<u>\$ 27</u>	<u>\$ 26,180</u>	<u>\$ 162,556</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$ 30,505	\$ 47,169	\$ 889	\$ -	\$ 1,633	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	93	-	-	22,862
Advances from other funds	-	-	-	-	-	-
Due to other governments	-	321	-	-	-	-
TOTAL LIABILITIES	<u>30,505</u>	<u>47,490</u>	<u>982</u>	<u>-</u>	<u>1,633</u>	<u>22,862</u>
FUND BALANCES:						
Reserved for memoranda of understanding	53,690	499,745	-	-	4,281	137
Reserved for prepaid and other assets	-	32,619	-	-	-	-
Reserved for interfund receivable	5,830	6,790	-	-	-	250
Designated for transportation improvements	61,730	(124,615)	19,655	27	20,266	139,307
TOTAL FUND BALANCE	<u>121,250</u>	<u>414,539</u>	<u>19,655</u>	<u>27</u>	<u>24,547</u>	<u>139,694</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 151,755</u>	<u>\$ 462,029</u>	<u>\$ 20,637</u>	<u>\$ 27</u>	<u>\$ 26,180</u>	<u>\$ 162,556</u>

Exhibit B-1

PVEA	Port Highway Improvement Match	Budget Change Proposal	FEMA Earthquake Reimb.	Federal Board of Education	Total
\$ 480	\$ -	\$ 94	\$ 1,829	\$ 246	\$ 668,138
-	-	-	-	-	668
-	-	-	-	-	84,371
4	-	56	-	-	4,978
-	-	300	4,650	-	4,950
-	-	-	-	-	11,983
-	-	-	-	-	12,870
-	-	-	-	-	32,619
-	-	-	-	-	10,266
484	-	450	6,479	246	830,843
<u>\$ 484</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 6,479</u>	<u>\$ 246</u>	<u>\$ 830,843</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,196
-	-	-	-	-	-
-	-	-	3,493	-	26,448
-	-	-	-	-	-
-	-	-	-	-	321
-	-	-	3,493	-	106,965
-	-	-	-	-	557,853
-	-	-	-	-	32,619
-	-	-	-	-	12,870
484	-	450	2,986	246	120,536
484	-	450	2,986	246	723,878
<u>\$ 484</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 6,479</u>	<u>\$ 246</u>	<u>\$ 830,843</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, 2001
(Amounts expressed in thousands)

	Proposition A	Proposition C	State Transit Assistance	CMAQ TSM	Service Authority For Fwy Emergency
REVENUES:					
Sales tax	\$ 528,299	\$ 528,432	\$ 25,697	\$ -	\$ -
Intergovernmental	-	59,543	-	-	-
Investment income	8,470	21,543	1,961	-	1,706
Net appreciation (decline) in fair value of investments	2,607	4,649	-	-	509
Licenses and fines	-	-	-	-	6,205
Other	-	3,044	-	-	2
TOTAL REVENUES	539,376	617,211	27,658	-	8,422
EXPENDITURES:					
Administration and other	-	43,429	-	-	4,762
Transportation subsidies	186,962	314,720	3,857	-	-
TOTAL EXPENDITURES	186,962	358,149	3,857	-	4,762
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	352,414	259,062	23,801	-	3,660
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	-	-	-
Operating transfers out	(356,726)	(210,335)	(23,204)	-	(1,212)
Proceeds from financing	-	55,277	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(356,726)	(155,058)	(23,204)	-	(1,212)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(4,312)	104,004	597	-	2,448
Fund (deficit) balance - beginning of year	125,562	310,535	19,058	27	22,099
FUND BALANCE - END OF YEAR	\$ 121,250	\$ 414,539	\$ 19,655	\$ 27	\$ 24,547

Transportation Development Act	PVEA	Port Highway Improvement Match	Budget Change Proposal	FEMA Earthquake Reimb.	Federal Board of Education	Total
\$ 283,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,649
343	-	-	5,699	(52)	-	65,533
8,961	30	-	84	-	-	42,755
-	9	-	64	-	-	7,838
-	300	-	-	-	-	6,505
-	-	-	-	-	-	3,046
<u>292,525</u>	<u>339</u>	<u>-</u>	<u>5,847</u>	<u>(52)</u>	<u>-</u>	<u>1,491,326</u>
-	-	-	-	37	-	48,228
111,924	-	-	-	-	-	617,463
<u>111,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>665,691</u>
180,601	339	-	5,847	(89)	-	825,635
-	-	-	-	-	-	-
(177,217)	(269)	-	(5,450)	(525)	-	(774,938)
-	-	-	-	-	-	55,277
<u>(177,217)</u>	<u>(269)</u>	<u>-</u>	<u>(5,450)</u>	<u>(525)</u>	<u>-</u>	<u>(719,661)</u>
3,384	70	-	397	(614)	-	105,974
136,310	414	-	53	3,600	246	617,904
<u>\$ 139,694</u>	<u>\$ 484</u>	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 2,986</u>	<u>\$ 246</u>	<u>723,878</u>

Los Angeles County Metropolitan Transportation Authority
Proposition A Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-3

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 108,156	\$ 90,880
Receivables:		
Intergovernmental	-	190
Sales tax	31,819	37,907
Interest	1,406	1,359
Due from other funds	4,544	-
Advances to other funds	5,830	6,000
TOTAL ASSETS	<u>\$ 151,755</u>	<u>\$ 136,336</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 30,505	\$ 10,774
TOTAL LIABILITIES	<u>30,505</u>	<u>10,774</u>
FUND BALANCES:		
Reserved for memoranda of understanding	53,690	43,185
Reserved for interfund receivables	5,830	6,000
Designated for transportation improvements	61,730	76,377
TOTAL FUND BALANCES	<u>121,250</u>	<u>125,562</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 151,755</u>	<u>\$ 136,336</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-4

	<u>2001</u>	<u>2000</u>
REVENUES:		
Sales tax	\$ 528,299	\$ 504,353
Investment income	8,470	7,154
Net appreciation (decline) in fair value of investments	2,607	(1,098)
TOTAL REVENUES	<u>539,376</u>	<u>510,409</u>
EXPENDITURES:		
Transportation subsidies	186,962	174,548
TOTAL EXPENDITURES	<u>186,962</u>	<u>174,548</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>352,414</u>	<u>335,861</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers out	(356,726)	(310,236)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(356,726)</u>	<u>(310,236)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(4,312)	25,625
Fund balances - beginning of year	125,562	99,937
FUND BALANCES - END OF YEAR	<u>\$ 121,250</u>	<u>\$ 125,562</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-4A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Sales tax	\$ 502,300	\$ 528,299	\$ 25,999	\$ 476,177	\$ 504,353	\$ 28,176
Investment income	4,225	8,470	4,245	3,300	7,154	3,854
Net appreciation (decline) in fair value of investments	-	2,607	2,607	-	(1,098)	(1,098)
TOTAL REVENUES	<u>506,525</u>	<u>539,376</u>	<u>32,851</u>	<u>479,477</u>	<u>510,409</u>	<u>30,932</u>
EXPENDITURES:						
Current:						
Transportation subsidies	182,152	186,962	(4,810)	171,642	174,548	(2,906)
TOTAL EXPENDITURES	<u>182,152</u>	<u>186,962</u>	<u>(4,810)</u>	<u>171,642</u>	<u>174,548</u>	<u>(2,906)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>324,373</u>	<u>352,414</u>	<u>28,041</u>	<u>307,835</u>	<u>335,861</u>	<u>28,026</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers out	(341,309)	(356,726)	(15,417)	(317,700)	(310,236)	7,464
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(341,309)</u>	<u>(356,726)</u>	<u>(15,417)</u>	<u>(317,700)</u>	<u>(310,236)</u>	<u>7,464</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(16,936)</u>	<u>(4,312)</u>	<u>12,624</u>	<u>(9,865)</u>	<u>25,625</u>	<u>35,490</u>
Fund balances - beginning of year	125,562	125,562	-	99,937	99,937	-
FUND BALANCES - END OF YEAR	<u>\$ 108,626</u>	<u>\$ 121,250</u>	<u>\$ 12,624</u>	<u>\$ 90,072</u>	<u>\$ 125,562</u>	<u>\$ 35,490</u>

Los Angeles County Metropolitan Transportation Authority
Proposition C Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-5

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 369,664	\$ 238,366
Receivables:		
Intergovernmental	668	407
Sales tax	31,830	37,824
Interest	3,026	2,941
Due from other funds	7,166	-
Advances to other funds	6,790	16,898
Prepaid items and other assets	32,619	41,702
Restricted assets:		
Cash and cash equivalents	10,266	-
TOTAL ASSETS	<u>\$ 462,029</u>	<u>\$ 338,138</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 47,169	\$ 27,435
Due to other governments	321	168
TOTAL LIABILITIES	<u>47,490</u>	<u>27,603</u>
FUND BALANCES (DEFICITS):		
Reserved for memoranda of understanding	499,745	624,253
Reserved for prepaid items and other assets	32,619	41,702
Reserved for interfund receivable	6,790	16,898
Designated for transportation improvements	(124,615)	(372,318)
TOTAL FUND BALANCES	<u>414,539</u>	<u>310,535</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 462,029</u>	<u>\$ 338,138</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-6

	<u>2001</u>	<u>2000</u>
REVENUES:		
Sales tax	\$ 528,432	\$ 505,949
Intergovernmental	59,543	42,450
Investment income	21,543	16,897
Net appreciation (decline) in fair value of investments	4,649	(2,004)
Other	3,044	3,208
TOTAL REVENUES	<u>617,211</u>	<u>566,500</u>
EXPENDITURES:		
Administration and other	43,429	38,279
Transportation subsidies	314,720	328,626
TOTAL EXPENDITURES	<u>358,149</u>	<u>366,905</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>259,062</u>	<u>199,595</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers in	-	130,666
Operating transfers out	(210,335)	(333,199)
Proceeds from financing	55,277	-
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(155,058)</u>	<u>(202,533)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	104,004	(2,938)
Fund balances - beginning of year	310,535	313,473
FUND BALANCES - END OF YEAR	<u>\$ 414,539</u>	<u>\$ 310,535</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-6A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Sales tax	\$ 502,500	\$ 528,432	\$ 25,932	\$ 479,940	\$ 505,949	\$ 26,009
Intergovernmental	56,657	59,543	2,886	39,800	42,450	2,650
Investment income	12,345	21,543	9,198	8,027	16,897	8,870
Net appreciation (decline) in fair value of investments	-	4,649	4,649	-	(2,004)	(2,004)
Other	-	3,044	3,044	-	3,208	3,208
TOTAL REVENUES	571,502	617,211	45,709	527,767	566,500	38,733
EXPENDITURES:						
Administration and other	78,287	43,429	34,858	11,809	38,279	(26,470)
Transportation subsidies	353,805	314,720	39,085	464,319	328,626	135,693
TOTAL EXPENDITURES	432,092	358,149	73,943	476,128	366,905	109,223
EXCESS OF REVENUES OVER EXPENDITURES	139,410	259,062	119,652	51,639	199,595	147,956
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-	109,775	130,666	20,891
Operating transfers out	(287,171)	(210,335)	76,836	(256,600)	(333,199)	(76,599)
Proceeds from financing	-	55,277	55,277	-	-	-
Proceeds from financing	-	-	-	43,300	-	(43,300)
TOTAL OTHER FINANCING AND SOURCES (USES)	(287,171)	(155,058)	132,113	(103,525)	(202,533)	(99,008)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(147,761)	104,004	251,765	(51,886)	(2,938)	48,948
Fund balances - beginning of year	310,535	310,535	-	313,473	313,473	-
FUND BALANCES - END OF YEAR	\$ 162,774	\$ 414,539	\$ 251,765	\$ 261,587	\$ 310,535	\$ 48,948

Los Angeles County Metropolitan Transportation Authority
 State Transit Assistance Special Revenue Fund
 Comparative Balance Sheets
 June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-7

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 15,779	\$ 11,887
Receivables:		
Sales tax	4,365	7,589
Interest	220	-
Due from other funds	273	-
TOTAL ASSETS	<u>\$ 20,637</u>	<u>\$ 19,476</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 889	\$ 418
Due to other funds	93	-
TOTAL LIABILITIES	<u>982</u>	<u>418</u>
 FUND BALANCES:		
Designated for transportation improvements	19,655	19,058
TOTAL FUND BALANCES	<u>19,655</u>	<u>19,058</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,637</u>	<u>\$ 19,476</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-8

	<u>2001</u>	<u>2000</u>
REVENUES:		
Sales tax	\$ 25,697	\$ 23,585
Investment income	1,961	1,213
TOTAL REVENUES	<u>27,658</u>	<u>24,798</u>
EXPENDITURES:		
Transportation subsidies	3,857	2,083
TOTAL EXPENDITURES	<u>3,857</u>	<u>2,083</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>23,801</u>	<u>22,715</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers out	(23,204)	(19,748)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(23,204)</u>	<u>(19,748)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	597	2,967
Fund balances - beginning of year	19,058	16,091
FUND BALANCES - END OF YEAR	<u>\$ 19,655</u>	<u>\$ 19,058</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-8A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Sales tax	\$ 26,130	\$ 25,697	\$ (433)	\$ 31,044	\$ 23,585	\$ (7,459)
Investment income	400	1,961	1,561	400	1,213	813
TOTAL REVENUES	26,530	27,658	1,128	31,444	24,798	(6,646)
EXPENDITURES:						
Transportation subsidies	4,207	3,857	350	4,216	2,083	2,133
TOTAL EXPENDITURES	4,207	3,857	350	4,216	2,083	2,133
EXCESS OF REVENUES OVER EXPENDITURES	22,323	23,801	1,478	27,228	22,715	(4,513)
OTHER FINANCING SOURCES (USES):						
Operating transfers out	(24,545)	(23,204)	1,341	(27,228)	(19,748)	7,480
TOTAL OTHER FINANCING AND SOURCES (USES)	(24,545)	(23,204)	1,341	(27,228)	(19,748)	7,480
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,222)	597	2,819	-	2,967	2,967
Fund balances - beginning of year	19,058	19,058	-	16,091	16,091	-
FUND BALANCES - END OF YEAR	\$ 16,836	\$ 19,655	\$ 2,819	\$ 16,091	\$ 19,058	\$ 2,967

Los Angeles County Metropolitan Transportation Authority
 CMAQ & TSM Special Revenue Fund
 Comparative Balance Sheets
 June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-9

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 27	\$ 27
Prepaid items and other assets	-	3,634
TOTAL ASSETS	<u>\$ 27</u>	<u>\$ 3,661</u>
LIABILITIES AND FUND BALANCE		
LAIBILITIES:		
Advances from other funds	\$ -	\$ 3,634
TOTAL LIABILITIES	<u>-</u>	<u>3,634</u>
FUND BALANCES (DEFICITS):		
Reserved for prepaid items and other assets	-	3,634
Designated for transportation improvements	27	(3,607)
TOTAL FUND (DEFICIT) BALANCES	<u>27</u>	<u>27</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27</u>	<u>\$ 3,661</u>

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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-10

	2001	2000
REVENUES:		
Intergovernmental	-	30
TOTAL REVENUES	-	30
TOTAL EXPENDITURES	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	30
OTHER FINANCING SOURCES (USES):		
Operating transfers out	-	(2)
TOTAL OTHER FINANCING AND SOURCES (USES)	-	(2)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	28
Fund (deficit) balances - beginning of year	27	(1)
FUND BALANCES - END OF YEAR	\$ 27	\$ 27

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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-10A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	-	-	-	-	30	30
TOTAL REVENUES	-	-	-	-	30	30
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	30	30
OTHER FINANCING SOURCES (USES):						
Operating transfers out	-	-	-	-	(2)	(2)
TOTAL OTHER FINANCING AND SOURCES (USES)	-	-	-	-	(2)	(2)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-	28	28
Fund (deficit) balances - beginning of year	27	27	-	(1)	(1)	-
FUND BALANCES - END OF YEAR	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 27</u>	<u>\$ 28</u>

Los Angeles County Metropolitan Transportation Authority
Service Authority For Freeway Emergency Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-11

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 25,914	\$ 22,924
Receivables:		
Interest receivable	266	280
TOTAL ASSETS	<u>\$ 26,180</u>	<u>\$ 23,204</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 1,633	\$ 1,105
TOTAL LIABILITIES	<u>1,633</u>	<u>1,105</u>
FUND BALANCES:		
Reserved for memoranda of understanding	4,281	2,482
Designated for transportation improvements	20,266	19,617
TOTAL FUND BALANCES	<u>24,547</u>	<u>22,099</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,180</u>	<u>\$ 23,204</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-12

	<u>2001</u>	<u>2000</u>
REVENUES:		
Investment income	\$ 1,706	\$ 1,424
Net appreciation (decline) in fair value of investments	509	(188)
Licenses and fines	6,205	7,213
Other	2	50
TOTAL REVENUES	<u>8,422</u>	<u>8,499</u>
EXPENDITURES:		
Administration and other	4,762	7,518
TOTAL EXPENDITURES	<u>4,762</u>	<u>7,518</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,660</u>	<u>981</u>
Other Financing Sources (Uses):		
Operating transfers out	(1,212)	-
Total other financing and sources (uses)	<u>(1,212)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,448	981
Fund balances - beginning of year	22,099	21,118
FUND BALANCES - END OF YEAR	<u>\$ 24,547</u>	<u>\$ 22,099</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-12A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Investment income	\$ 300	\$ 1,706	\$ 1,406	\$ -	\$ 1,424	\$ 1,424
Net appreciation (decline) in fair value of investments	-	509	509	-	(188)	(188)
Licenses and fines	7,300	6,205	(1,095)	6,000	7,213	1,213
Other	-	2	2	-	50	50
TOTAL REVENUES	7,600	8,422	822	6,000	8,499	2,499
EXPENDITURES:						
Current:						
Administration and other	10,649	4,762	5,887	100	7,518	(7,418)
Transportation subsidies	-	-	-	12,900	-	12,900
TOTAL EXPENDITURES	10,649	4,762	5,887	13,000	7,518	5,482
EXCESS (DEFICIENCY) OF REVENUES OVER	(3,049)	3,660	6,709	(7,000)	981	7,981
Other Financing Sources (Uses):						
Operating transfers out	-	(1,212)	(1,212)	-	-	-
Total other financing and sources (uses)	-	(1,212)	(1,212)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(3,049)	2,448	5,497	(7,000)	981	7,981
Fund balances - beginning of year	22,099	22,099	-	21,118	21,118	-
FUND BALANCES - END OF YEAR	\$ 19,050	\$ 24,547	\$ 5,497	\$ 14,118	\$ 22,099	\$ 7,981

Los Angeles County Metropolitan Transportation Authority
Transportation Development Act Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-13

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 145,949	\$ 134,657
Receivables:		
Sales tax	16,357	4,226
Advances to other funds	250	-
TOTAL ASSETS	<u>\$ 162,556</u>	<u>\$ 138,883</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Due to other funds	\$ 22,862	\$ -
Advances from other funds	-	2,573
TOTAL LIABILITIES	<u>22,862</u>	<u>2,573</u>
FUND BALANCES:		
Reserved for memoranda of understanding	137	137
Reserved for interfund receivable	250	-
Designated for transportation improvements	139,307	136,173
TOTAL FUND BALANCES	<u>139,694</u>	<u>136,310</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 162,556</u>	<u>\$ 138,883</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-14

	<u>2001</u>	<u>2000</u>
REVENUES:		
Sales tax	\$ 283,221	\$ 256,235
Intergovernmental	343	30
Investment income	8,961	5,860
Other	-	1,656
TOTAL REVENUES	<u>292,525</u>	<u>263,781</u>
EXPENDITURES:		
Transportation subsidies	111,924	67,368
TOTAL EXPENDITURES	<u>111,924</u>	<u>67,368</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>180,601</u>	<u>196,413</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers out	(177,217)	(177,237)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(177,217)</u>	<u>(177,237)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	3,384	19,176
Fund balance - beginning of year	136,310	117,134
FUND BALANCES - END OF YEAR	<u>\$ 139,694</u>	<u>\$ 136,310</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-14A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Sales tax	\$ 253,700	\$ 283,221	\$ 29,521	\$ 241,042	\$ 256,235	\$ 15,193
Intergovernmental	-	343	343	-	30	30
Investment income	4,000	8,961	4,961	4,000	5,860	1,860
Other	-	-	-	-	1,656	1,656
TOTAL REVENUES	257,700	292,525	34,825	245,042	263,781	18,739
EXPENDITURES:						
Transportation subsidies	79,902	111,924	(32,022)	72,294	67,368	4,926
TOTAL EXPENDITURES	79,902	111,924	(32,022)	72,294	67,368	4,926
EXCESS OF REVENUES OVER EXPENDITURES	177,798	180,601	2,803	172,748	196,413	23,665
OTHER FINANCING SOURCES (USES):						
Operating transfers out	(184,620)	(177,217)	7,403	(188,200)	(177,237)	10,963
TOTAL OTHER FINANCING AND SOURCES (USES)	(184,620)	(177,217)	7,403	(188,200)	(177,237)	10,963
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(6,822)	3,384	10,206	(15,452)	19,176	34,628
Fund balance - beginning of year	136,310	136,310	-	117,134	117,134	-
FUND BALANCES - END OF YEAR	\$ 129,488	\$ 139,694	\$ 10,206	\$ 101,682	\$ 136,310	\$ 34,628

Los Angeles County Metropolitan Transportation Authority
PVEA Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-15

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 480	\$ 410
Receivables:		
Interest	4	4
TOTAL ASSETS	<u>\$ 484</u>	<u>\$ 414</u>
 FUND BALANCES:		
Designated for transportation improvements	\$ 484	\$ 414
TOTAL FUND BALANCES	<u>484</u>	<u>414</u>
 TOTAL FUND BALANCES	<u>\$ 484</u>	<u>\$ 414</u>

Los Angeles County Metropolitan Transportation Authority
PVEA Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-16

	2001	2000
REVENUES:		
Intergovernmental	\$ -	\$ 84
Investment Income	30	23
Net appreciation (decline) in fair value of investments	9	(3)
Licenses and fines	300	-
TOTAL REVENUES	<u>339</u>	<u>104</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>339</u>	<u>104</u>
OTHER FINANCING (USES):		
Operating transfers out	(269)	(67)
TOTAL OTHER FINANCING (USES)	<u>(269)</u>	<u>(67)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>70</u>	<u>37</u>
Fund balances - beginning of year	414	377
FUND BALANCES - END OF YEAR	<u>\$ 484</u>	<u>\$ 414</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-16A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 190	\$ -	\$ (190)	\$ -	\$ 84	\$ 84
Investment Income	-	30	30	-	23	23
Net appreciation (decline) in fair value of investments	-	9	9	-	(3)	(3)
Licenses and fines	-	300	300	-	-	-
TOTAL REVENUES	190	339	149	-	104	104
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	190	339	149	-	104	104
OTHER FINANCING (USES):						
Operating transfers out	(190)	(269)	(79)	(300)	(67)	233
TOTAL OTHER FINANCING (USES)	(190)	(269)	(79)	(300)	(67)	233
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	70	70	(300)	37	337
Fund balances - beginning of year	414	414	-	377	377	-
FUND BALANCES - END OF YEAR	\$ 414	\$ 484	\$ 70	\$ 77	\$ 414	\$ 337

Los Angeles County Metropolitan Transportation Authority
Port Highway Improvement Match Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-17

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ -
Receivables:		
Intergovernmental	-	-
Sales tax	-	-
Notes	-	-
Interest receivable	-	-
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ -	\$ -
Accrued liabilities	-	-
Advances from other funds	-	-
Due to other governments	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>
 FUND BALANCES:		
Designated for transportation improvements	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ -</u></u>	<u><u>\$ -</u></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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-18

	<u>2001</u>	<u>2000</u>
REVENUES:		
Net appreciation (decline) in fair value of investments	\$ -	\$ 33
Other	-	887
TOTAL REVENUES	<u>-</u>	<u>920</u>
EXPENDITURES:		
Transportation subsidies	-	100
TOTAL EXPENDITURES	<u>-</u>	<u>100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>820</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	820
Fund balances - beginning of year	-	(820)
FUND (DEFICIT) BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-18A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Net appreciation (decline) in fair value of investments	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ 33
Other	-	-	-	880	887	7
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>880</u>	<u>920</u>	<u>40</u>
EXPENDITURES:						
Administration and other	-	-	-	1,800	-	1,800
Transportation subsidies	-	-	-	6,826	100	6,726
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,626</u>	<u>100</u>	<u>8,526</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,746)</u>	<u>820</u>	<u>8,566</u>
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,746)</u>	<u>820</u>	<u>8,566</u>
Fund balances - beginning of year	-	-	-	(820)	(820)	-
FUND (DEFICIT) BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,566)</u>	<u>\$ -</u>	<u>\$ 8,566</u>

Los Angeles County Metropolitan Transportation Authority
Budget Change Proposal Fund for Freeway Service State TCI Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-19

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 94	\$ 44
Receivables:		
Interest receivable	56	9
Leases and other	300	-
TOTAL ASSETS	<u>\$ 450</u>	<u>\$ 53</u>
FUND BALANCES		
Designated for transportation improvements	\$ 450	\$ 53
TOTAL FUND BALANCES	<u>\$ 450</u>	<u>\$ 53</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-20

	<u>2001</u>	<u>2000</u>
REVENUES:		
Intergovernmental	\$ 5,699	\$ 5,157
Investment income	84	36
Net appreciation (decline) in fair value of investments	64	16
TOTAL REVENUES	<u>5,847</u>	<u>5,209</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>5,847</u>	<u>5,209</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers out	(5,450)	(5,250)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(5,450)</u>	<u>(5,250)</u>
(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	397	(41)
Fund balances - beginning of year	53	94
FUND BALANCES - END OF YEAR	<u>\$ 450</u>	<u>\$ 53</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-20A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 3,870	\$ 5,699	\$ 1,829	\$ 5,544	\$ 5,157	\$ (387)
Investment income	-	84	84	-	36	36
Net appreciation (decline) in fair value of investments	-	64	64	-	16	16
TOTAL REVENUES	3,870	5,847	1,977	5,544	5,209	(335)
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	3,870	5,847	1,977	5,544	5,209	(335)
OTHER FINANCEING SOURCES (USES):						
Operating transfers in	-	-	-	500	-	(500)
Operating transfers out	(1,110)	(5,450)	(4,340)	(6,300)	(5,250)	1,050
TOTAL OTHER FINANCING AND SOURCES (USES)	(1,110)	(5,450)	(4,340)	(5,800)	(5,250)	550
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,760	397	(2,363)	(256)	(41)	215
Fund balances - beginning of year	53	53	-	94	94	-
FUND (DEFICIT) BALANCES - END OF YEAR	\$ 2,813	\$ 450	\$ (2,363)	\$ (162)	\$ 53	\$ 215

Los Angeles County Metropolitan Transportation Authority
FEMA Earthquake Reimbursement Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-21

	2001	2000
ASSETS		
Cash and cash equivalents	\$ 1,829	\$ 438
Receivables:		
Intergovernmental	-	6,371
Leases and other	4,650	2,026
Advances to other funds	-	1,779
TOTAL ASSETS	\$ 6,479	\$ 10,614
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Due to other funds	\$ 3,493	\$ -
Advances from other funds	-	7,014
TOTAL LIABILITIES	3,493	7,014
FUND BALANCES:		
Reserved for interfund receivable	-	1,779
Designated for transportation improvements	2,986	1,821
TOTAL FUND BALANCES	2,986	3,600
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,479	\$ 10,614

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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-22

	<u>2001</u>	<u>2000</u>
REVENUES:		
Intergovernmental	\$ (52)	\$ 1,111
Other	-	25
TOTAL REVENUES	<u>(52)</u>	<u>1,136</u>
EXPENDITURES:		
Administration and other	37	66
TOTAL EXPENDITURES	<u>37</u>	<u>66</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(89)</u>	<u>1,070</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers out	(525)	(1,111)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>(525)</u>	<u>(1,111)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(614)</u>	<u>(41)</u>
Fund balances - beginning of year	3,600	3,641
FUND BALANCES - END OF YEAR	<u>\$ 2,986</u>	<u>\$ 3,600</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-22A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ -	\$ (52)	\$ (52)	\$ -	\$ 1,111	\$ 1,111
Other	-	-	-	-	25	25
TOTAL REVENUES	<u>-</u>	<u>(52)</u>	<u>(52)</u>	<u>-</u>	<u>1,136</u>	<u>1,136</u>
EXPENDITURES:						
Administration and other	74	37	37	67	66	1
TOTAL EXPENDITURES	<u>74</u>	<u>37</u>	<u>37</u>	<u>67</u>	<u>66</u>	<u>1</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(74)</u>	<u>(89)</u>	<u>(15)</u>	<u>(67)</u>	<u>1,070</u>	<u>1,137</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers out	-	(525)	(525)	-	(1,111)	(1,111)
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>-</u>	<u>(525)</u>	<u>(525)</u>	<u>-</u>	<u>(1,111)</u>	<u>(1,111)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(74)</u>	<u>(614)</u>	<u>(540)</u>	<u>(67)</u>	<u>(41)</u>	<u>26</u>
Fund balances - beginning of year	3,600	3,600	-	3,641	3,641	-
FUND BALANCES - END OF YEAR	<u>\$ 3,526</u>	<u>\$ 2,986</u>	<u>\$ (540)</u>	<u>\$ 3,574</u>	<u>\$ 3,600</u>	<u>\$ 26</u>

Los Angeles County Metropolitan Transportation Authority
Federal Board of Education Special Revenue Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit B-23

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 246	\$ 246
TOTAL ASSETS	<u>\$ 246</u>	<u>\$ 246</u>
 FUND BALANCES		
Designated for transportation improvements	246	246
TOTAL FUND BALANCES	<u>\$ 246</u>	<u>\$ 246</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-24

	<u>2001</u>	<u>2000</u>
TOTAL REVENUES	-	-
TOTAL EXPENDITURES	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-
OTHER FINANCING SOURCES (USES):		
Operating transfers out	-	(5,033)
TOTAL OTHER FINANCING AND SOURCES (USES)	-	(5,033)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	(5,033)
Fund balances - beginning of year	246	5,279
FUND BALANCES - END OF YEAR	<u>\$ 246</u>	<u>\$ 246</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, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit B-24A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
TOTAL REVENUES	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Operating transfers out	-	-	-	-	(5,033)	(5,033)
TOTAL OTHER FINANCING AND SOURCES (USES)	-	-	-	-	(5,033)	(5,033)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING	-	-	-	-	(5,033)	(5,033)
Fund balances - beginning of year	246	246	-	5,279	5,279	-
FUND BALANCES - END OF YEAR	<u>\$ 246</u>	<u>\$ 246</u>	<u>\$ -</u>	<u>\$ 5,279</u>	<u>\$ 246</u>	<u>\$ (5,033)</u>

Debt Service Fund

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

Los Angeles County Metropolitan Transportation Authority
 Debt Service Fund
 Comparative Balance Sheets
 June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit C-1

	<u>2001</u>	<u>2000</u>
ASSETS		
Receivables:		
Interest	\$ 2,427	\$ 81
Leases and other	4,028	3,498
Restricted:		
Cash and cash equivalents	345,141	181,659
Investments	62,808	236,783
TOTAL ASSETS	<u>414,404</u>	<u>422,021</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ 1,436	\$ 846
Accrued interest payable	79,020	82,799
Bonds and notes payable - current	73,401	60,595
TOTAL LIABILITIES	<u>153,857</u>	<u>144,240</u>
FUND BALANCES:		
Reserved for debt service	260,547	277,781
TOTAL FUND BALANCES	<u>260,547</u>	<u>277,781</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 414,404</u>	 <u>\$ 422,021</u>

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, 2001 and 2000
(Amounts expressed in thousands)

Exhibit C-2

	<u>2001</u>	<u>2000</u>
REVENUES:		
Intergovernmental	\$ 3,304	\$ 3,375
Investment income	15,038	8,746
Net appreciation (decline) in fair value of investments	1,367	17
TOTAL REVENUES	<u>19,709</u>	<u>12,138</u>
EXPENDITURES:		
Current:		
Interest and fiscal charges	189,808	186,437
Bond principal & commercial paper retirement	78,881	66,135
Joint development expenditure	-	3,341
TOTAL EXPENDITURES	<u>268,689</u>	<u>255,913</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(248,980)</u>	<u>(243,775)</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers in	354,462	246,598
Operating transfers out	(121,344)	(734)
Proceeds from financing	431,874	166,059
Payment to refunding bond escrow agent	(408,675)	-
TOTAL OTHER FINANCING AND SOURCES (USES)	<u>256,317</u>	<u>411,923</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>7,337</u>	<u>168,148</u>
Fund balances - beginning of year	277,781	109,633
Residual equity transfer	(24,571)	-
FUND BALANCES - END OF YEAR	<u>\$ 260,547</u>	<u>\$ 277,781</u>

Los Angeles County Metropolitan Transportation Authority
Debt Service Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the years ended June 30, 2001 and 2000
(Amounts expressed in thousands)

Exhibit C-2A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	\$ 2,424	\$ 3,304	\$ 880	\$ 2,522	\$ 3,375	\$ 853
Investment income	-	15,038	15,038	8,600	8,746	146
Net appreciation (decline) in fair value of investments	-	1,367	1,367	-	17	17
TOTAL REVENUES	2,424	19,709	17,285	11,122	12,138	1,016
EXPENDITURES:						
Current:						
Interest and fiscal charges	202,828	189,808	13,020	194,939	186,437	8,502
Bond principal & commercial paper retirement	77,370	78,881	(1,511)	75,219	66,135	9,084
Joint development expenditure	-	-	-	5,701	3,341	2,360
TOTAL EXPENDITURES	280,198	268,689	11,509	275,859	255,913	19,946
(DEFICIENCY) OF REVENUES OVER OTHER FINANCING SOURCES (USES):	(277,774)	(248,980)	28,794	(264,737)	(243,775)	20,962
Operating transfers in	277,774	354,462	76,688	250,145	246,598	(3,547)
Operating transfers out	-	(121,344)	(121,344)	-	(734)	(734)
Proceeds from financing	365,000	431,874	66,874	14,592	166,059	151,467
Payment to refunding bond escrow agent	(365,000)	(408,675)	(43,675)	-	-	-
TOTAL OTHER FINANCING AND SOURCES (USES)	277,774	256,317	(21,457)	264,737	411,923	147,186
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	7,337	7,337	(0)	168,148	168,148
Fund balances - beginning of year	277,781	277,781	-	109,633	109,633	-
Residual equity transfer	-	(24,571)	(24,571)	-	-	-
FUND BALANCES - END OF YEAR	\$ 277,781	\$ 260,547	\$ (17,234)	\$ 109,633	\$ 277,781	\$ 168,148

Capital Projects Fund

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

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

Light Rail Fund - Pasadena and Greenline

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, 2001
 (Amounts expressed in thousands)

Exhibit D-1

	Light Rail	Metro Rail	SB 1995 Rail	Bus Capital and Other	Total
ASSETS					
Cash and cash equivalents	\$ 5,840	\$ 81,098	\$ -	\$ 16,219	\$ 103,157
Investments	1,809	-	-	-	1,809
Receivables:					
Accounts	1,644	34,004	-	13,219	48,867
Intergovernmental	2,587	34,454	-	23,219	60,260
Interest	-	359	-	-	359
Leases and other	6,250	2,467	-	-	8,717
Due from other funds	-	-	-	4,840	4,840
Prepaid items and other assets	-	891	-	-	891
Restricted:					
Cash and cash equivalents	-	207	-	-	207
Investments	-	21,760	-	2,607	24,367
TOTAL ASSETS	\$ 18,130	\$ 175,240	\$ -	\$ 60,104	\$ 253,474
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 11,198	\$ 48,881	\$ -	\$ 56,073	\$ 116,152
Claims and judgment payable	2,135	18,871	-	-	21,006
Due to other funds	-	3,276	-	2,982	6,258
Deferred revenues	6,250	22,577	-	-	28,827
Other liabilities	4	200	-	-	204
TOTAL LIABILITIES	19,587	93,805	-	59,055	172,447
FUND BALANCES:					
Reserved for encumbrances	129,975	153,720	-	102,120	385,815
Reserved for prepaid and other assets	-	891	-	-	891
Unreserved, undesignated	(131,432)	(73,176)	-	(101,071)	(305,679)
TOTAL FUND BALANCES	(1,457)	81,435	-	1,049	81,027
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,130	\$ 175,240	\$ -	\$ 60,104	\$ 253,474

Los Angeles County Metropolitan Transportation Authority
 Capital Projects Funds
 Combining Statements of Revenues, Expenditures and Changes in Fund Balances
 For the year ended June 30, 2001
 (Amounts expressed in thousands)

Exhibit D-2

	Light Rail	Metro Rail	SB 1995 Rail	Bus Capital and Other	Total
REVENUES:					
Intergovernmental	\$ 13,269	\$ 82,088	\$ 81,862	\$ 172,490	\$ 349,709
Investment income	267	7,931	-	-	8,198
Net appreciation (decline) in fair value of investments	(27)	(1,351)	-	(140)	(1,518)
Other	-	98	-	31	129
TOTAL REVENUES	13,509	88,766	81,862	172,381	356,518
EXPENDITURES:					
Administration and other	6,148	17,101	8,139	13,943	45,331
Capital Outlay	32,010	52,402	42,243	187,612	314,267
TOTAL EXPENDITURES	38,158	69,503	50,382	201,555	359,598
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,649)	19,263	31,480	(29,174)	(3,080)
OTHER FINANCING SOURCES (USES):					
Operating transfers in	18,627	32,851	(31,480)	30,915	50,913
Operating transfers out	(1,201)	(25,640)	-	(5,620)	(32,461)
Proceeds from financing	5,199	-	-	-	5,199
TOTAL OTHER FINANCING AND SOURCES (USES)	22,625	7,211	(31,480)	25,295	23,651
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,024)	26,474	-	(3,879)	20,571
Fund balances - beginning of year	567	54,961	-	4,928	60,456
FUND BALANCES - END OF YEAR	\$ (1,457)	\$ 81,435	-	\$ 1,049	\$ 81,027

Los Angeles County Metropolitan Transportation Authority
 Capital Projects Funds
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 For the years ended June 30, 2001 and 2000
 (Amounts expressed in thousands)

Exhibit D-2A

	2001			2000		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
REVENUES:						
Intergovernmental	370,330	\$ 349,709	\$ (20,621)	\$ 457,974	\$ 296,916	\$ (161,058)
Investment income	-	8,198	8,198	-	4,348	4,348
Net appreciation (decline) in fair value of investments	-	(1,518)	(1,518)	-	2,870	2,870
Other	-	129	129	1,200	1,389	189
TOTAL REVENUES	370,330	356,518	(13,812)	459,174	305,523	(153,651)
EXPENDITURES:						
Administration and other	44,385	45,331	(946)	48,866	38,732	10,134
Capital Outlay	562,830	314,267	248,563	553,261	401,042	152,219
TOTAL EXPENDITURES	607,215	359,598	247,617	602,127	439,774	162,353
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(236,885)	(3,080)	233,805	(142,953)	(134,251)	8,702
OTHER FINANCING SOURCES (USES):						
Operating transfers in	113,924	50,913	(63,011)	15,502	68,155	52,653
Operating transfers out	(84,081)	(32,461)	51,620	(166,184)	(103,743)	62,441
Proceeds from financing	174,000	5,199	(168,801)	268,784	215,960	(52,824)
TOTAL OTHER FINANCING AND SOURCES (USES)	203,843	23,651	(180,192)	118,102	180,372	62,270
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(33,042)	20,571	53,614	(24,851)	46,121	70,972
Fund balances - beginning of year	60,456	60,456	-	14,335	14,335	-
FUND BALANCES - END OF YEAR	\$27,414	81,027	\$53,614	(\$10,516)	\$60,456	\$70,972

Enterprise Fund

The Enterprise Fund, which includes bus operations and heavy and light rail, 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.

Los Angeles County Metropolitan Transportation Authority
 Enterprise Fund
 Comparative Balance Sheets
 June 30, 2001 and 2000
 (Amounts expressed in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and cash equivalents	\$ 72,900	\$ 144,054
Receivables (net of allowance for uncollectibles):		
Accounts	20,756	22,383
Intergovernmental	76,066	13,248
Interest	566	515
Leases and other	187	1,115
Due from other funds	12,607	-
Advances to other funds	-	2,573
Inventory	57,468	56,519
Prepaid items and other assets	6,567	5,628
Restricted Assets:		
Cash and cash equivalents	39,301	39,211
Investments	127,349	107,312
Fixed Assets	5,925,881	5,848,049
TOTAL ASSETS	<u>\$ 6,339,648</u>	<u>\$ 6,240,607</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Accounts payable	\$ 40,236	\$ 31,209
Accrued liabilities	13,277	13,327
Claims and judgment payable	125,574	147,615
Advances from other funds	12,870	14,029
Accrued interest payable	10,356	5,594
Compensated absences payable	31,695	30,070
Bonds and notes payable - current	18,665	18,165
Deferred revenues	10,349	10,216
Post retirement benefits payable	70,328	72,090
Bonds and notes payable	323,525	156,455
TOTAL LIABILITIES	<u>\$ 656,875</u>	<u>\$ 498,770</u>
EQUITY:		
Retained earnings (deficit)	(63,293)	(75,806)
Capital grants (contributed capital)		
Federal	2,493,519	2,417,792
State	410,336	443,020
Local	2,842,211	2,956,831
TOTAL EQUITY	<u>5,682,773</u>	<u>5,741,837</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 6,339,648</u>	<u>\$ 6,240,607</u>

Los Angeles County Metropolitan Transportation Authority
Enterprise Fund
Comparative Statement of Revenues, Expenses and
Changes in Retained Earnings
For the years ended June 30, 2001 and 2000
(Amounts expressed in thousands)

	<u>2001</u>	<u>2000</u>
OPERATING REVENUES:		
Passenger fares	\$ 213,989	\$ 233,436
Route subsidies	771	234
Auxiliary transportation	12,227	13,630
TOTAL OPERATING REVENUES	<u>226,987</u>	<u>247,300</u>
OPERATING EXPENSES:		
Transportation	469,386	493,961
Maintenance	248,150	259,656
General and administrative	37,734	34,444
Depreciation	281,694	225,762
TOTAL OPERATING EXPENSES	<u>1,036,964</u>	<u>1,013,823</u>
OPERATING LOSS	<u>809,977</u>	<u>766,523</u>
NON-OPERATING REVENUES (EXPENSES):		
Local operating grants	621	1,251
Federal operating grants	60,128	85,379
Interest revenues	7,441	7,562
Net appreciation (decline) in fair value of investments	1,696	(771)
Interest expense	(15,644)	(11,469)
Gain (loss) on disposition of fixed assets	(1,802)	(1,316)
Other revenue	5,614	2,550
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>58,054</u>	<u>83,186</u>
LOSS BEFORE OPERATING TRANSFERS IN	<u>751,923</u>	<u>683,337</u>
Operating transfers in	482,742	470,863
LOSS FOR THE YEAR	<u>269,181</u>	<u>212,474</u>
Add back depreciation on assets acquired with capital grants	281,694	225,762
INCREASE (DECREASE) IN RETAINED EARNINGS	<u>12,513</u>	<u>13,288</u>
Retained earnings (deficit) - beginning of year	(75,806)	(89,094)
RETAINED EARNINGS (DEFICIT) - END OF YEAR	<u>\$ (63,293)</u>	<u>\$ (75,806)</u>

Los Angeles County Metropolitan Transportation Authority
 Enterprise Fund
 Comparative Statement of Cash Flows
 For the year ended June 30, 2001 and 2000
 (Amount expressed in thousands)

	2001	2000
Cash flow from operating activities:		
Operating loss	\$ (809,977)	\$ (766,523)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	281,694	225,762
Net effect of changes in:		
Accounts receivable	1,627	(8,622)
Intergovernmental receivables	(62,818)	-
Leases and other receivables	928	(944)
Due from other funds	(12,607)	-
Advances to other funds	2,573	112
Inventories	(949)	(3,654)
Prepaid and other assets	(939)	(213)
Accounts payable	9,027	1,490
Accrued liabilities	(50)	816
Claims and judgement payable	(22,041)	(24,024)
Advances from other funds	(1,159)	(434)
Compensated absences payable	1,625	(1,108)
Deferred revenues	133	817
Post retirement benefits payable	(1,762)	2,085
Net cash used in operating activities	<u>(614,695)</u>	<u>(574,440)</u>
Cash flow from non-capital financing activities:		
Proceeds from operating grants	60,749	120,567
Operating transfers in from other funds	482,742	470,863
Proceeds from sale of miscellaneous obsolete parts and other	5,614	2,550
Net cash provided by non-capital financing activities	<u>549,105</u>	<u>593,980</u>
Cash flow from capital and related financing activities:		
Proceeds from capital grants received	9,865	9,865
Residual Equity Transfer	24,571	-
Proceeds from disposition of fixed assets	88	125
Payment of matured bonds and notes payable	(18,165)	(17,665)
Interest paid on bonds and notes payable	(10,882)	(12,038)
Net cash provided by capital and related financing activities	<u>5,477</u>	<u>(19,713)</u>
Cash flow from investing activities:		
Proceeds from sales and maturity of investments	157,899	145,872
Purchase of investments	(177,936)	(129,791)
Interest received on investments	9,086	7,523
Net cash provided (used) by investing activities	<u>(10,951)</u>	<u>23,604</u>
Net increase (decrease) in cash and cash equivalents	(71,064)	23,431
Cash and cash equivalents, beginning of year	183,265	159,834
Cash and cash equivalents, end of year	\$ <u>112,201</u>	\$ <u>183,265</u>
Supplemental schedule of noncash investing, capital and financing transactions:		
Transfer of fixed assets from General Fixed Assets Account Group	\$ 391,122	\$ 1,483,079
Transfer of bonds and notes payable from Internal Service Fund	185,735	-
Net increase (decline) in fair value of investments	1,696	(771)

Internal Service Funds

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

Los Angeles County Metropolitan Transportation Authority
Internal Service Fund
Comparative Balance Sheets
June 30, 2001 and 2000
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2001	2000
ASSETS					
Cash and cash equivalents	\$ 33,948	\$ 270	\$ 3,363	\$ 37,581	\$ 41,200
Receivables:					
Interest	627	-	-	627	1,045
Leases and others	22	179	-	201	390
Due from other funds	3,846	24,839	4,108	32,793	31,004
Prepaid and other assets	40	-	-	40	3,754
Fixed assets, net	-	-	-	-	134,118
TOTAL ASSETS	<u>38,483</u>	<u>25,288</u>	<u>7,471</u>	<u>71,242</u>	<u>211,511</u>
LIABILITIES AND EQUITY					
LIABILITIES:					
Accounts payable	\$ 5,834	\$ 1,202	\$ 3,625	\$ 10,661	\$ 16,384
Accrued liabilities	6,365	2,334	-	8,699	11,232
Claims and judgement payable	-	822	-	822	822
Due to other funds	25,870	3,077	3,846	32,793	31,807
Compensated absences payable	-	17,794	-	17,794	16,804
Other liabilities	414	59	-	473	344
TOTAL LIABILITIES	<u>38,483</u>	<u>25,288</u>	<u>7,471</u>	<u>71,242</u>	<u>77,393</u>
CAPITAL GRANTS (CONTRIBUTED CAPITAL):					
Local	-	-	-	-	134,118
TOTAL EQUITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,118</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 38,483</u>	<u>\$ 25,288</u>	<u>\$ 7,471</u>	<u>\$ 71,242</u>	<u>\$ 211,511</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, 2001 and 2000
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2001	2000
OPERATING REVENUES:					
Charges for services	\$ 295,741	\$ 124,554	\$ 39,383	\$ 459,678	\$ 473,873
TOTAL OPERATING REVENUES	<u>295,741</u>	<u>124,554</u>	<u>39,383</u>	<u>459,678</u>	<u>473,873</u>
OPERATING EXPENSES:					
Depreciation	-	-	-	-	6,889
Salaries and wages	113,268	82,496	-	195,764	212,999
Fringe benefits	146,233	40,978	38,944	226,155	225,129
Allocable costs	40,957	1,080	439	42,476	40,049
TOTAL OPERATING EXPENSES	<u>300,458</u>	<u>124,554</u>	<u>39,383</u>	<u>464,395</u>	<u>485,066</u>
OPERATING LOSS	<u>(4,717)</u>	<u>-</u>	<u>-</u>	<u>(4,717)</u>	<u>(11,193)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest revenues	3,255	-	-	3,255	4,402
Net appreciation/(decline) in fair value of investments	1,442	-	-	1,442	(528)
Other	20	-	-	20	430
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>4,717</u>	<u>4,304</u>
LOSS BEFORE OPERATING TRANSFERS OUT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,889)</u>
Operating transfers out	-	-	-	-	-
Net Operating transfers in/out	-	-	-	-	-
LOSS FOR THE YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,889)</u>
Add back depreciation on assets acquired with capital grants	-	-	-	-	6,889
INCREASE (DECREASE) IN RETAINED EARNINGS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained earnings (deficit) - beginning of year	-	-	-	-	-
RETAINED EARNINGS (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Los Angeles County Metropolitan Transportation Authority
Internal Service Fund
Combining Statement of Cash Flows
For the years ended June 30, 2001 and 2000
(Amounts expressed in thousands)

	LACMTA	PTSC	PRMA	Totals	
				2001	2000
Cash flow from operating activities:					
Operating loss	\$ (4,717)	\$ -	\$ -	\$ (4,717)	\$ (11,193)
Adjustment to reconcile operating loss to net cash used in operating activities:					
Depreciation	-	-	-	-	6,889
Net effect of changes in:					
Leases and other receivables	174	15	-	189	734
Advances to other funds	(1,895)	(2,991)	3,097	(1,789)	(9,461)
Prepaid items and other assets	14	-	3,700	3,714	(3,685)
Accounts payable	(771)	477	(5,429)	(5,723)	17,183
Accrued liabilities	(2,990)	457	-	(2,533)	(9,625)
Due to other funds	(1,468)	559	1,895	986	
Compensated absences payable	-	990	-	990	72
Other liabilities	114	15	-	129	344
Net cash used in operating activities	<u>(11,539)</u>	<u>(478)</u>	<u>3,263</u>	<u>(8,754)</u>	<u>(8,742)</u>
Cash flow from non-capital financing activities:					
Proceeds from sale of miscellaneous items	20	-	-	20	430
Net cash provided by non-capital financing activities	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>430</u>
Cash flow from investing activities:					
Interest received on pooled cash and investments	5,115	-	-	5,115	3,207
Net cash provided by investing activities	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>5,115</u>	<u>3,207</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,404)</u>	<u>(478)</u>	<u>3,263</u>	<u>(3,619)</u>	<u>(5,105)</u>
Cash and cash equivalents - beginning of year	<u>40,352</u>	<u>748</u>	<u>100</u>	<u>41,200</u>	<u>46,305</u>
Cash and cash equivalents - end of year	<u>\$ 33,948</u>	<u>\$ 270</u>	<u>\$ 3,363</u>	<u>\$ 37,581</u>	<u>\$ 41,200</u>
Supplemental schedule of noncash investing, capital and financing transactions:					
Transfer of fixed assets to the Enterprise Fund	\$ 134,118	\$ -	\$ -	\$ 134,118	\$ -
Net increase (decrease) in fair value of investments	1,442	-	-	1,442	(528)

Trust and Agency Funds

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

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

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

Los Angeles County Metropolitan Transportation Authority
Trust and Agency Funds
Combining Balance Sheet
June 30, 2001
(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	
ASSETS						
Receivables:						
Interest	\$ 730	\$ 130	\$ 430	\$ 444	\$ 160	\$ 1,894
Leases and other	228	44	40	954	521	1,787
Prepaid items and other assets	79	15	48	50	-	192
Restricted:						
Cash and cash equivalents	4	1	2	2	10,370	10,379
Investments	276,711	49,318	162,896	168,377	-	657,302
TOTAL ASSETS	\$ 277,752	\$ 49,508	\$ 163,416	\$ 169,827	\$ 11,051	\$ 671,554
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	268	48	158	163	432	\$ 1,069
Accrued interest payable	-	-	-	-	2,709	2,709
Accrued bond principal payable	-	-	-	-	7,910	7,910
Liabilities for retirement income plan	14,102	2,435	9,275	7,230	-	33,042
TOTAL LIABILITIES	14,370	2,483	9,433	7,393	11,051	44,730
FUND BALANCES:						
Reserved for employee retirements	263,382	47,025	153,983	162,434	-	626,824
TOTAL FUND BALANCES	263,382	47,025	153,983	162,434	-	626,824
TOTAL LIABILITIES AND FUND BALANCES	\$ 277,752	\$ 49,508	\$ 163,416	\$ 169,827	\$ 11,051	\$ 671,554

Los Angeles County Metropolitan Transportation Authority
 Combining Statement of Changes in Plan Net Assets - Pension Trust Fund
 For the years ended June 30, 2001 and 2000
 (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	
					2001	2000
ADDITIONS						
Contributions						
Employer	\$ 6,817	\$ 644	\$ 7,100	\$ 63	\$ 14,624	\$ 12,593
Member	11,543	1,049	1,143	-	13,735	15,924
Total contributions	18,360	1,693	8,243	63	28,359	28,517
From Investing Activities						
Net depreciation in fair value of investments	(22,215)	(3,988)	(12,966)	(14,025)	(53,194)	55,187
Investment income	4,692	841	2,740	2,951	11,224	10,498
Other revenue	117	21	68	73	279	-
Total investing activity income	(17,406)	(3,126)	(10,158)	(11,001)	(41,691)	65,685
Total net investment income	(17,406)	(3,126)	(10,158)	(11,001)	(41,691)	65,685
Transfers	(502)	(69)	(305)	876	-	-
TOTAL ADDITIONS	452	(1,502)	(2,220)	(10,062)	(13,332)	94,202
DEDUCTIONS						
Retiree benefits	(19,856)	(2,443)	(8,140)	(8,562)	(39,001)	(68,374)
Administrative expense	(319)	(155)	(188)	(228)	(890)	(882)
TOTAL DEDUCTIONS	(20,175)	(2,598)	(8,328)	(8,790)	(39,891)	(69,256)
NET INCREASE (DECREASE)	(19,723)	(4,100)	(10,548)	(18,852)	(53,223)	24,946
Beginning of year	283,105	51,125	164,531	181,286	680,047	655,101
END OF YEAR	\$ 263,382	\$ 47,025	\$ 153,983	\$ 162,434	\$ 626,824	\$ 680,047

Los Angeles County Metropolitan Transportation Authority
Agency Funds - Benefit Assessment Districts
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2001
(Amounts expressed in thousands)

Exhibit G-3

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2001</u>
ASSETS				
Interest receivable	\$ 257	\$ 160	\$ 257	\$ 160
Assessment receivable	1,036	15,677	16,192	521
Restricted assets:				
Cash and investments with fiscal agents	<u>9,517</u>	<u>28,952</u>	<u>28,099</u>	<u>10,370</u>
TOTAL ASSETS	<u><u>\$ 10,810</u></u>	<u><u>\$ 44,789</u></u>	<u><u>\$ 44,548</u></u>	<u><u>\$ 11,051</u></u>
LIABILITIES				
Accounts payable	\$ 544	\$ 13,139	\$ 13,251	\$ 432
Accrued interest payable	2,836	2,927	3,054	2,709
Accrued bond principal payable	<u>7,430</u>	<u>7,890</u>	<u>7,410</u>	<u>7,910</u>
TOTAL LIABILITIES	<u><u>\$ 10,810</u></u>	<u><u>\$ 23,956</u></u>	<u><u>\$ 23,715</u></u>	<u><u>\$ 11,051</u></u>

General Fixed Assets Account Group

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

Los Angeles County Metropolitan Transportation Authority
Comparative Schedules of General Fixed Assets-By Source
June 30, 2001 and 2000
(Amounts expressed in thousands)

	<u>2001</u>	<u>2000</u>
General Fixed Assets:		
Contributed Capital - SCRRRA	\$ 166,179	\$ 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)	92,853	92,257
Metro Rail MOS-3 (Mid-City)	13,530	13,468
Metro Rail MOS-3 (Eastern Ext.)	18,475	18,475
Pasadena Line	236,844	235,372
L.A. Car	157,798	148,075
Other Operations Capital Projects	110,328	88,475
Other Construction in Progress	34,767	16,277
Total General Fixed Assets	<u>\$ 1,624,724</u>	<u>\$ 1,564,132</u>
Investments in General Fixed Assets by Source:		
General Fund	\$ 7,750	\$ 7,750
Capital Projects Funds	<u>1,616,974</u>	<u>1,556,382</u>
Total Investment in General Fixed Assets	<u>\$ 1,624,724</u>	<u>\$ 1,564,132</u>

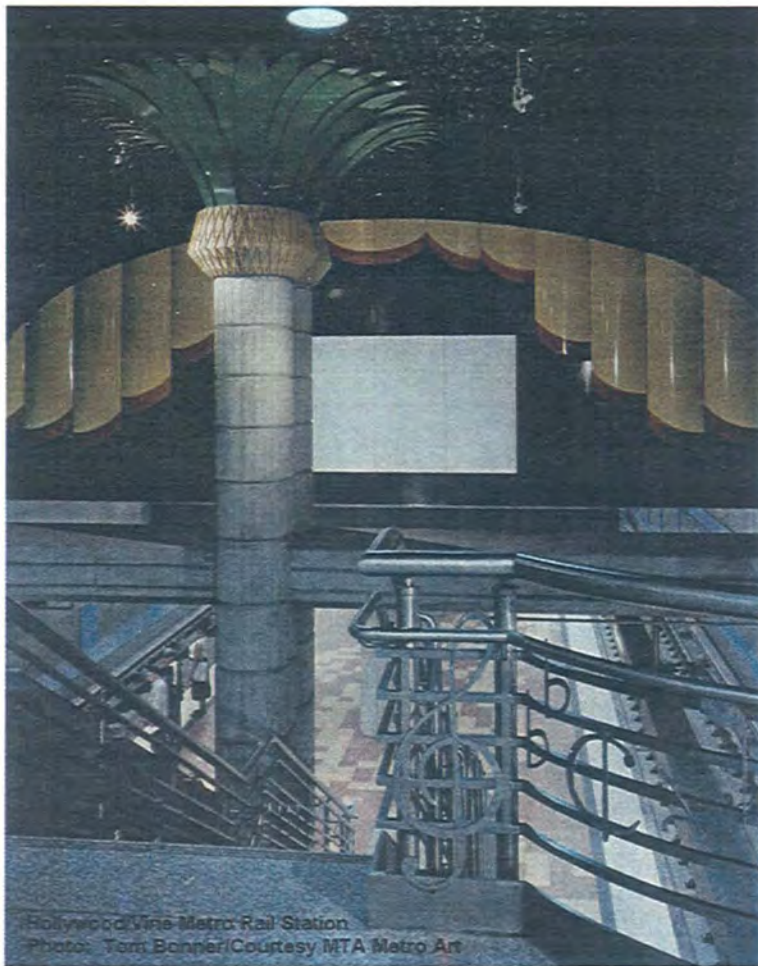
Los Angeles County Metropolitan Transportation Authority
Schedule of General Fixed Assets - By Activity and Function
June 30, 2001
(Amounts expressed in thousands)

	<u>Administration</u>	<u>Transportation Facilities</u>	<u>Construction in Progress</u>	<u>Total</u>
Equity in assets of other agencies				
Contributed Capital - SCRRA	\$ -	\$ 166,179	\$ -	\$ 166,179
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)	-	-	92,853	92,853
Metro Rail MOS 3 (Mid-City)	-	-	13,530	13,530
Metro Rail MOS 3 (Eastern Ext.)	-	-	18,475	18,475
Pasadena line	-	-	236,844	236,844
L.A. Car	-	-	157,798	157,798
Other Operations Capital Projects	-	-	110,328	110,328
Other Construction in Progress	-	-	34,767	34,767
Total General Fixed Assets	<u>\$ 1,746</u>	<u>\$ 958,383</u>	<u>\$ 664,595</u>	<u>\$ 1,624,724</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, 2001
(Amounts expressed in thousands)

	General Fixed Assets June 30, 2000	Additions	Deductions	General Fixed Assets June 30, 2001
Equity in Assets of Other Agencies				
Contributed Capital - SCRRRA	\$ 157,783	\$ 8,396	\$ -	\$ 166,179
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 2	-	36,417	(36,417)	-
Metro Rail MOS 3 (North Hollywood)	-	52,101	(52,101)	-
Metro Rail MOS 3 (East Side)	92,257	596	-	92,853
Metro Rail MOS 3 (Mid-City)	13,468	62	-	13,530
Metro Rail MOS 3 (Eastern Ext.)	18,475	-	-	18,475
Pasadena line	235,372	1,472	-	236,844
L.A. Car	148,075	9,723	-	157,798
Other Operations Capital Projects	88,475	30,140	(8,287)	110,328
Other Construction in Progress	16,277	18,516	(26)	34,767
Total General Fixed Assets	\$ 1,564,132	157,423	\$ (96,831)	\$ 1,624,724

Statistical



Hollywood/Vine Metro Rail Station
Photo: Tom Bonner/Courtesy MTA Metro Art

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

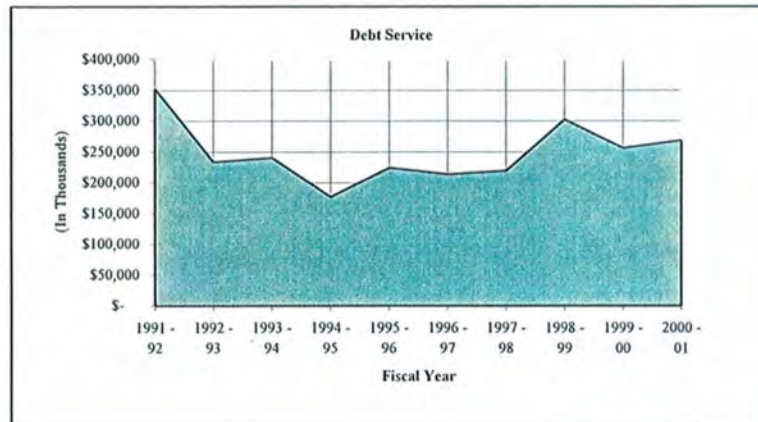
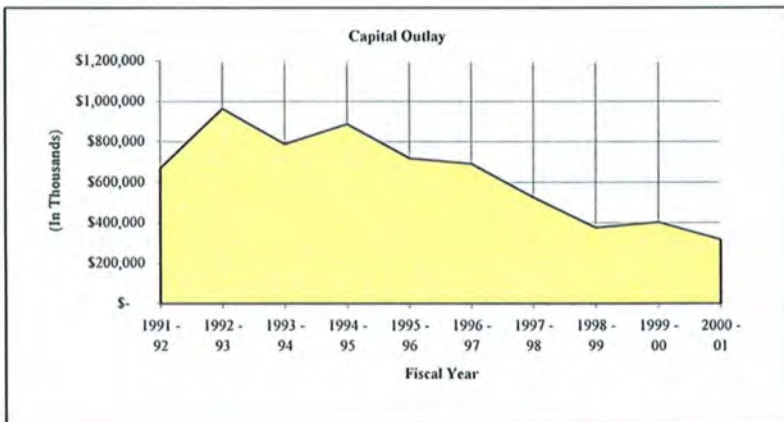
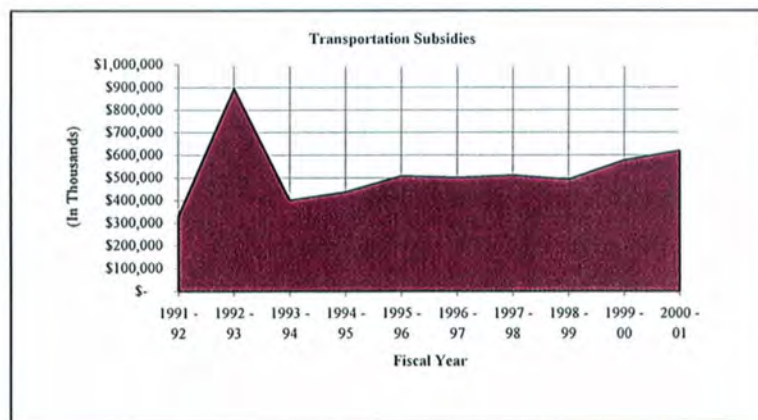
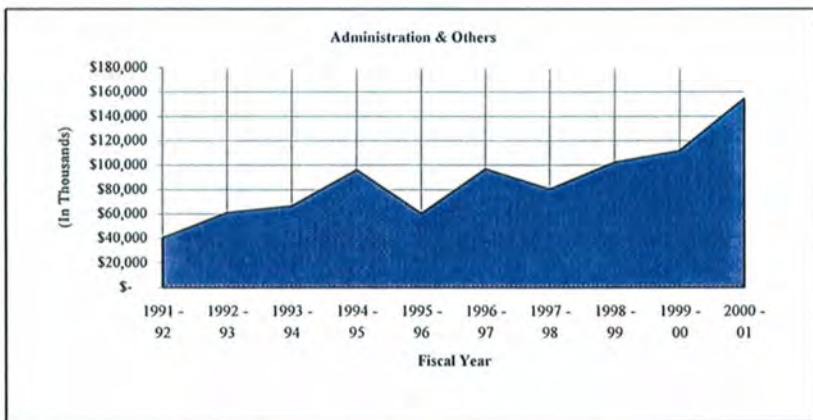
Table 1

Fiscal Year	Administration & Others	Transportation Subsidies	Capital Outlay	Debt Service	Total
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
2000 - 01	154,621	619,171	314,267	268,689	1,356,748

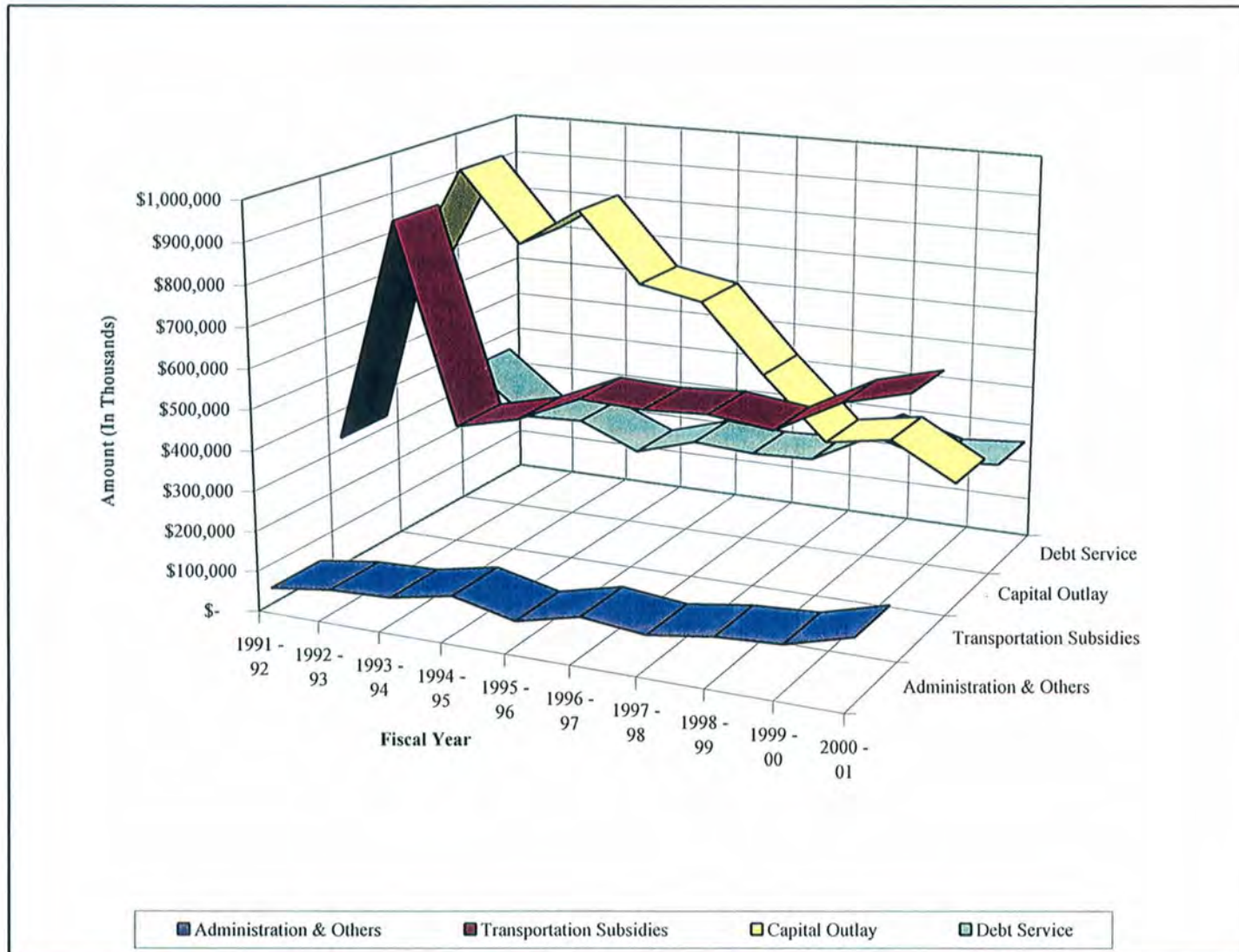
Source: Comprehensive Annual Financial Report

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 & SCRTPD



Graphical Presentation B of Table 1



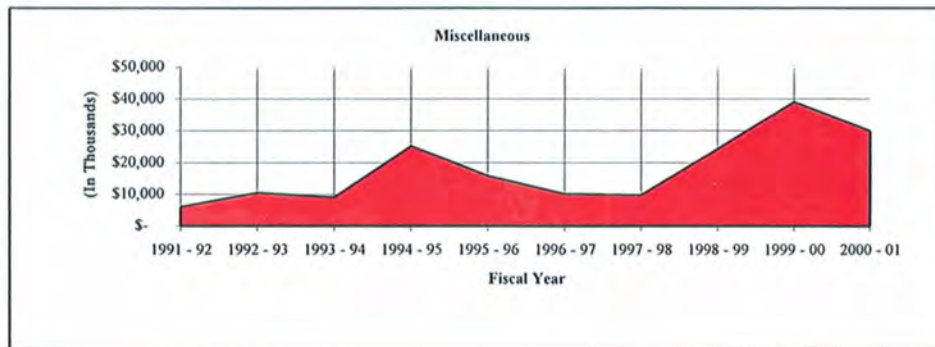
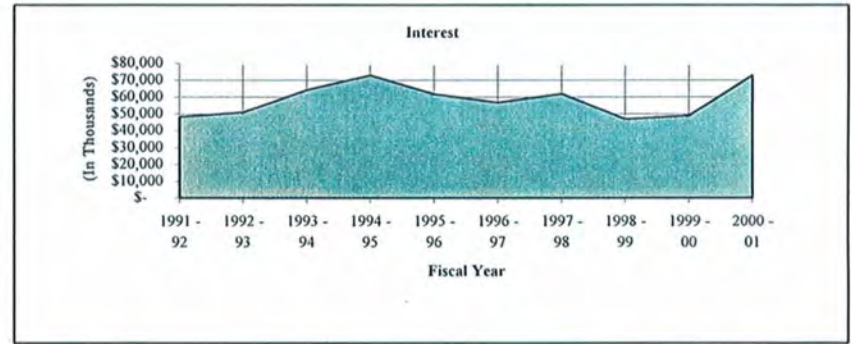
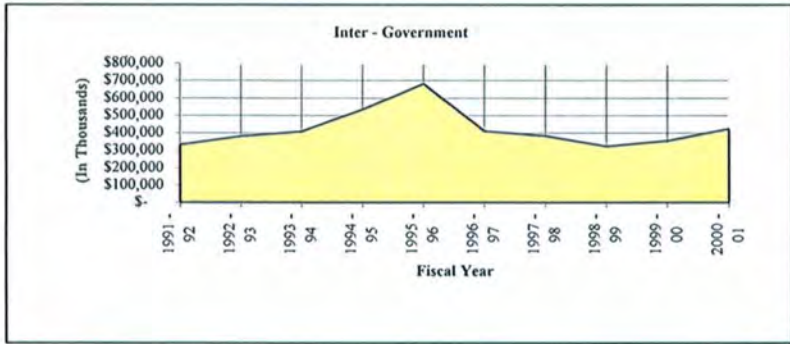
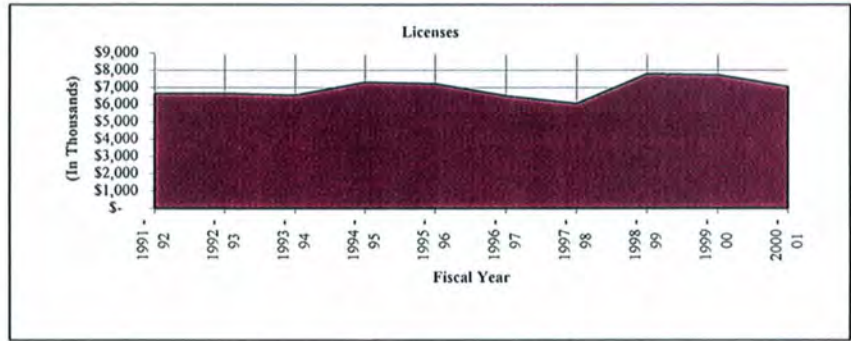
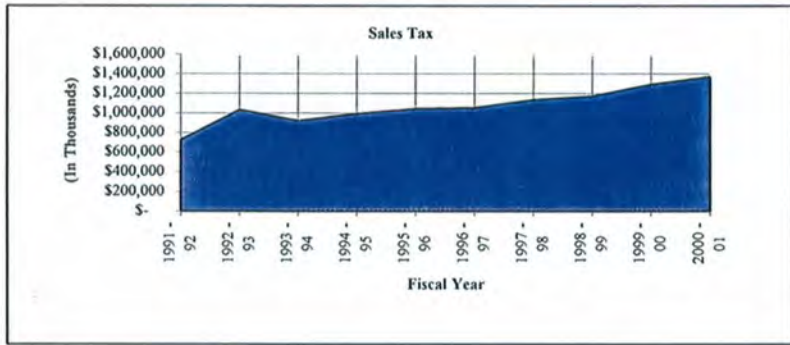
Los Angeles County Metropolitan Transportation Authority
 General Governmental Revenues By Source (1)
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2

Fiscal Year	Sales Tax	Licenses	Inter-Gov't	Interest	Misc.	Total
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
2000 - 01	1,365,649	7,031	423,017	72,742	29,800	1,898,239

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 & SCR TD



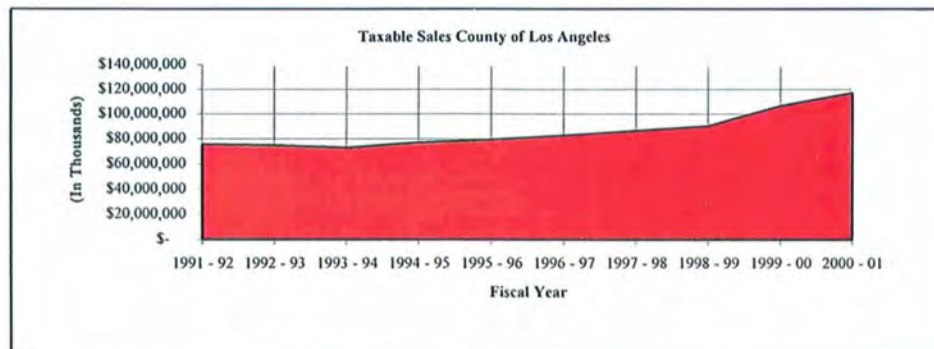
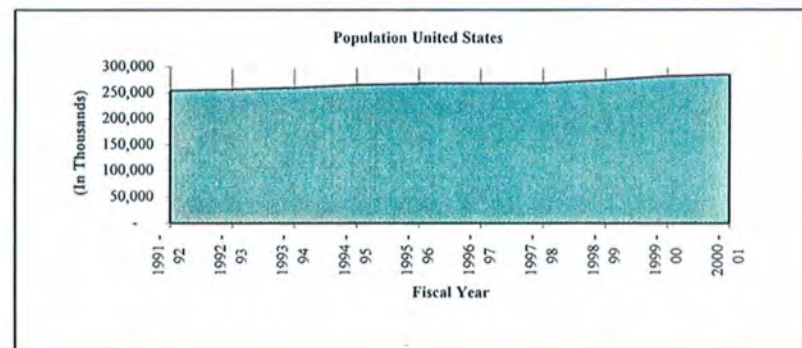
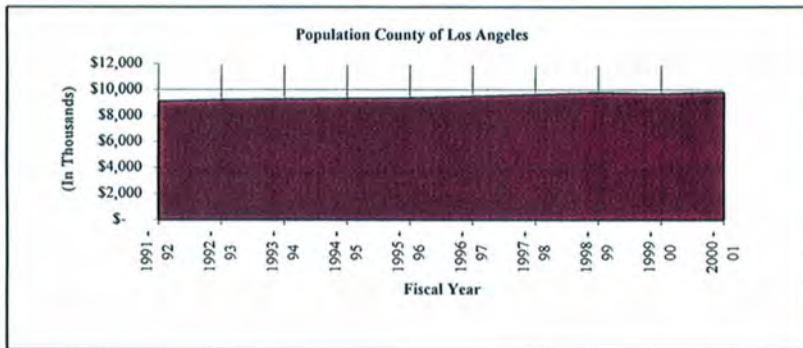
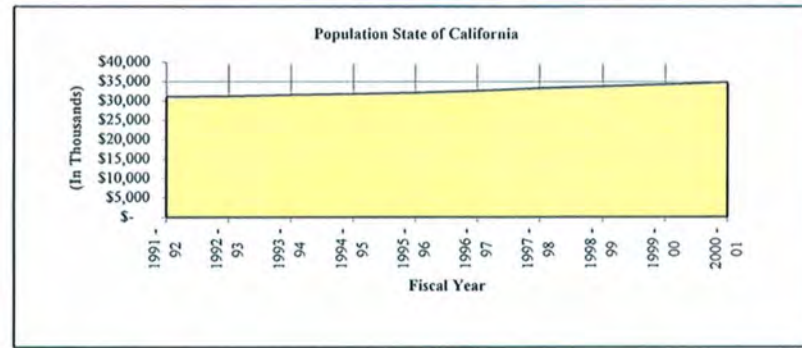
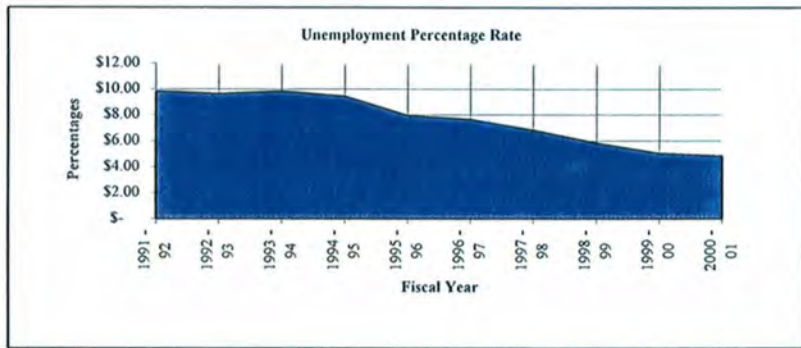
Los Angeles County Metropolitan Transportation Authority
Demographic Statistics
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 3

Fiscal Year	(1) Unemployment Percentage Rate	(2) Population County of Los Angeles	(2) Population State of California	(2) Population United States	(3) Taxable Sales County of Los Angeles
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	9,643	34,206	281,422	106,673,534
2000 - 01	4.8	9,802	34,818	284,500	116,914,193 (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 & SCRTRD

Graphical Presentation of Table 3



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

Table 4

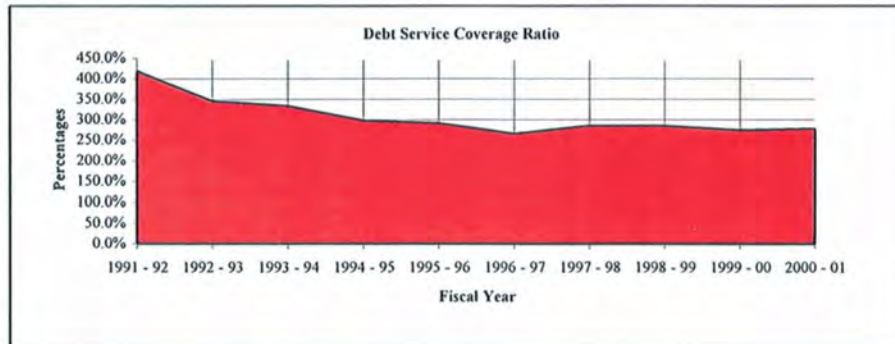
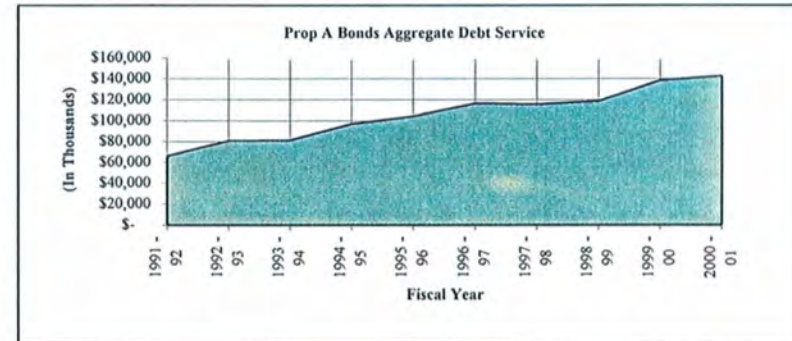
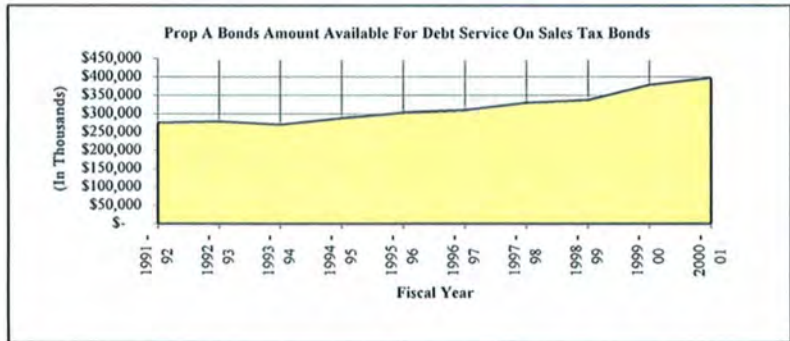
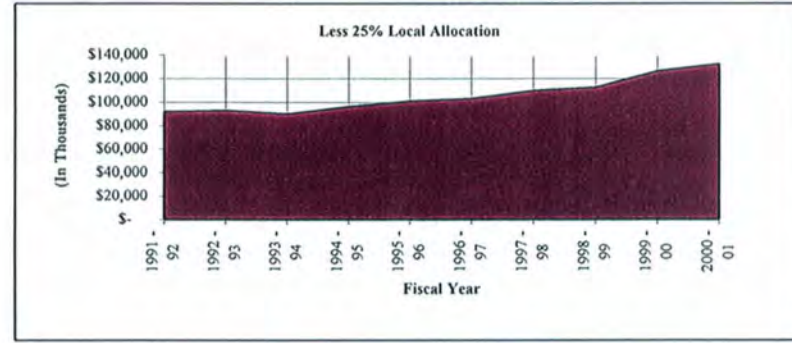
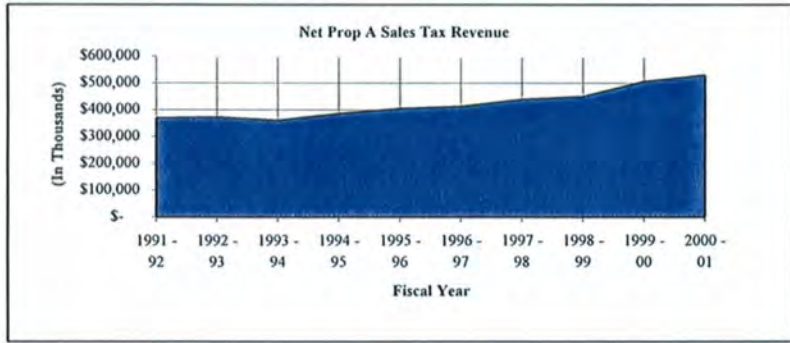
Fiscal Year	Net Prop A Sales Tax Revenue (1)	Less 25% Local Allocation (2)	Prop A Bonds Amount Available For Debt Service On Sales Tax Bonds	Prop A Bonds Aggregate Debt Service	Debt Service Coverage Ratio
1991 - 92	\$ 367,707	\$ 91,927	\$ 275,780	\$ 65,893	4.19
1992 - 93	371,452	92,863	278,589	80,750	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
2000 - 01	528,299	132,075	396,224	142,427	2.78

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 & SCRTD

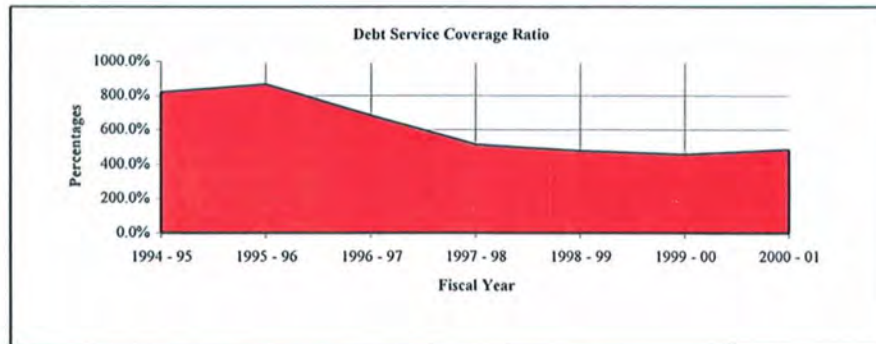
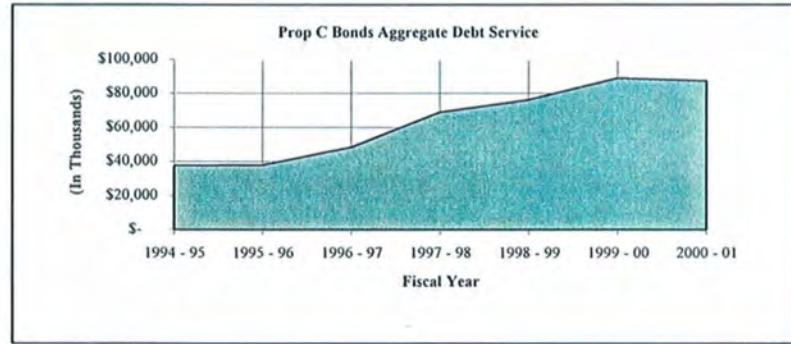
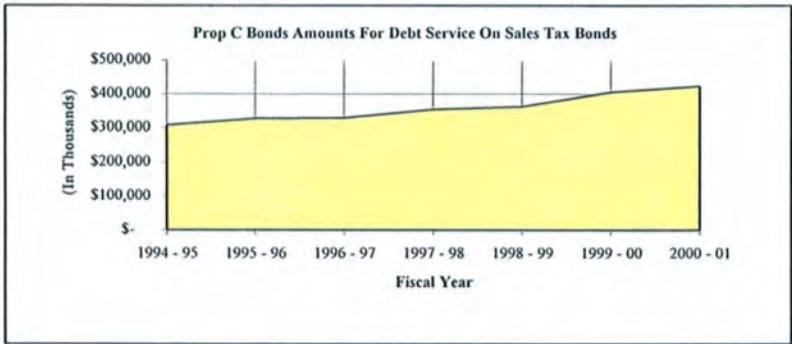
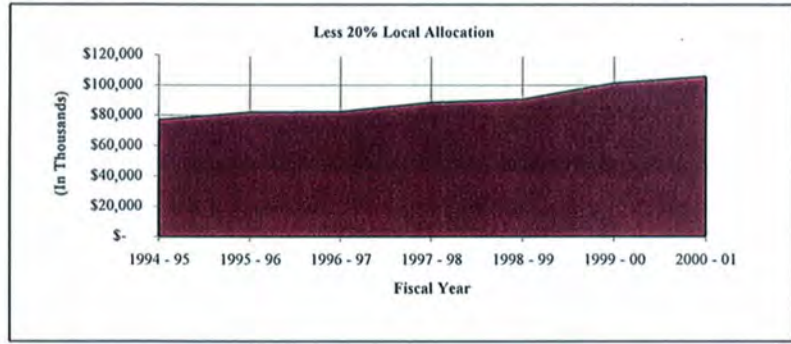
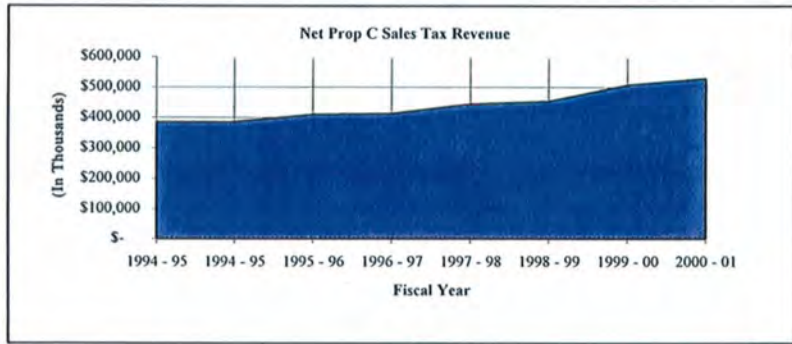


Los Angeles County Metropolitan Transportation Authority
 Historical Debt Service Coverage Ratios - Prop C
 Last Seven Fiscal Years
 (Amounts expressed in thousands)

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
2000 - 01	528,432	105,686	422,746	87,108	4.85

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

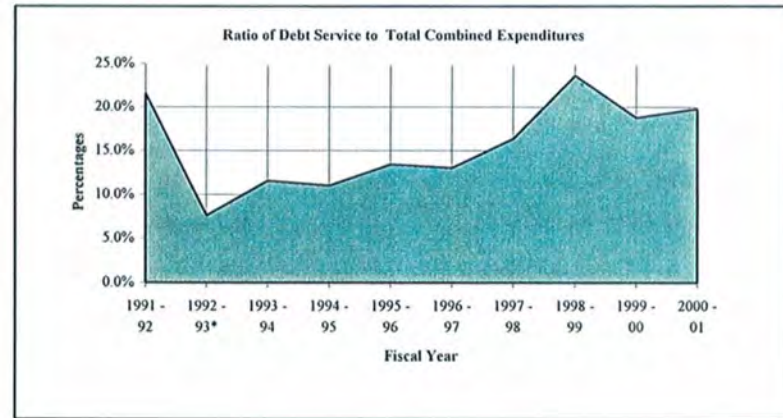
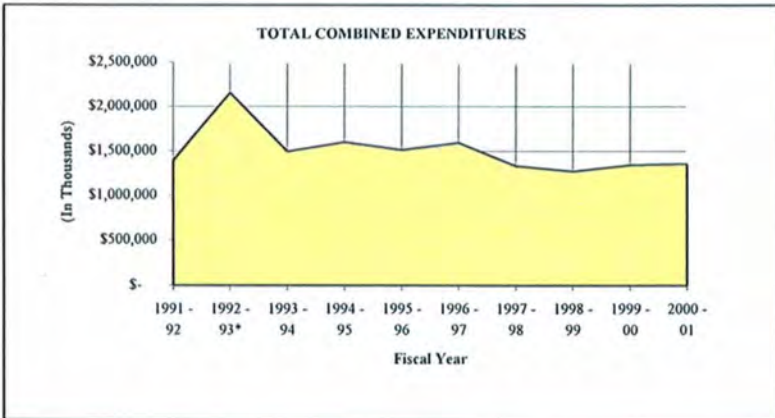
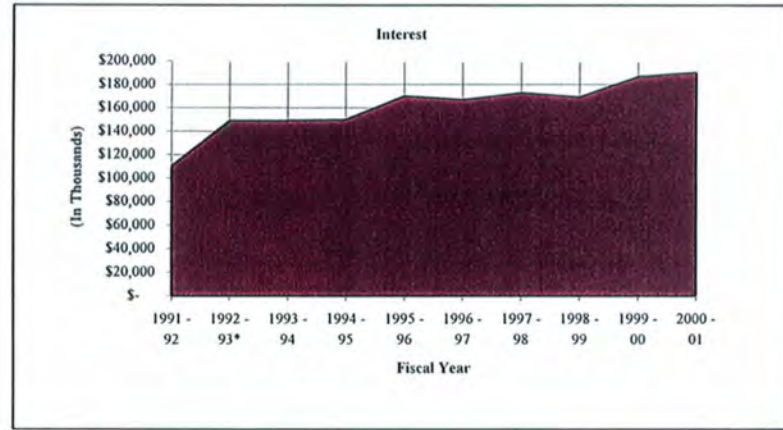
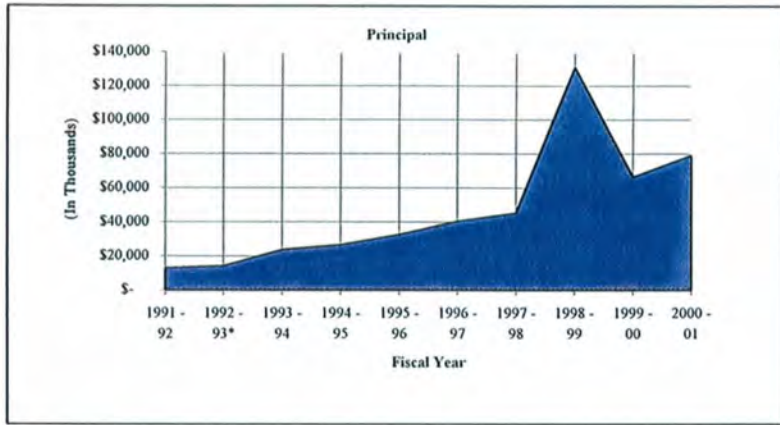
(Amounts expressed in thousands)

FISCAL YEAR	1991 - 92	1992 - 93*	1993 - 94	1994 - 95	1995 - 96	1996 - 97	1997 - 98	1998 - 99	1999 - 00	2000 - 01
Principal	\$ 12,592	\$ 14,019	\$ 23,639	\$ 26,345	\$ 32,498	\$ 40,200	\$ 45,025	\$ 130,757	\$ 66,135	\$ 78,881
Interest	110,090	148,576	148,975	149,630	169,876	166,552	172,579	169,011	186,437	189,808
Commercial Paper Retirement	177,000	-	-	-	-	-	-	-	-	-
Total Debt Service Expenditures	299,682	162,595	172,614	175,975	202,374	206,752	217,604	299,768	252,572	268,689
Total Combined Expenditures	1,390,645	2,151,711	1,492,832	1,595,752	1,508,202	1,588,259	1,333,136	1,270,128	1,345,286	1,356,751
Ratio of Debt Service to										
General Expenditures (%)	21.55%	7.56%	11.56%	11.03%	13.42%	13.02%	16.32%	23.60%	18.77%	19.80%

Source: Comprehensive Annual Financial Report

* Merger between LACTC & SCRTD

Graphical Presentation of Table 6

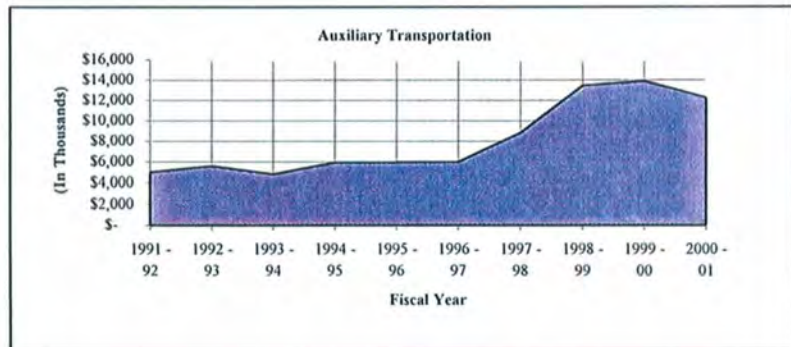
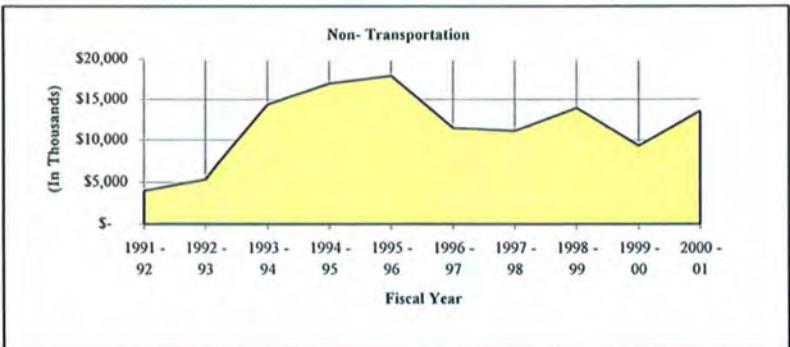
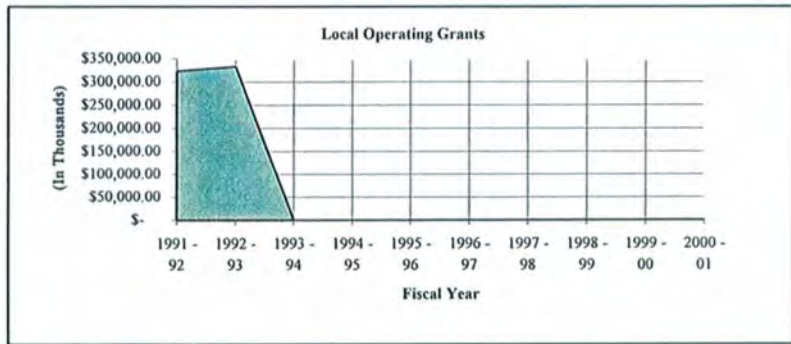
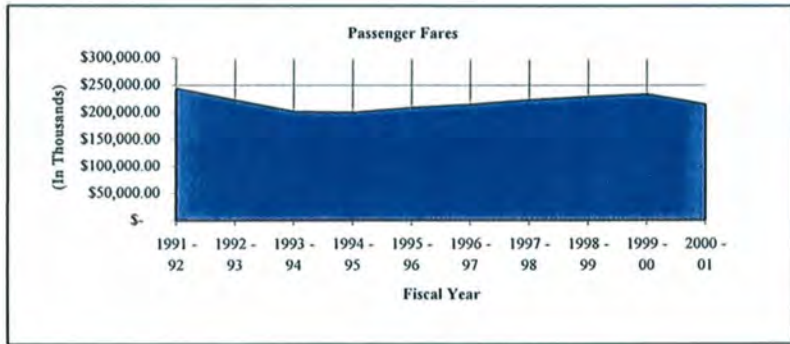


Los Angeles County Metropolitan Transportation Authority
Operating Revenues By Source (Bus & Rail)
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 7

Fiscal Year	Passenger Fares	Local Operating Grants	Operating Transfers In (1)	Federal Operating Grants	State Operating Grants	Non-Transportation	Auxiliary Transportation	Total
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
2000 - 01	213,989	-	482,742	60,128	-	13,570	12,227	782,656

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



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

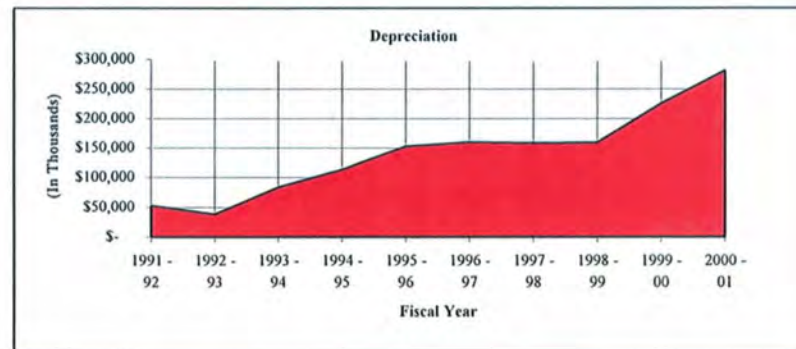
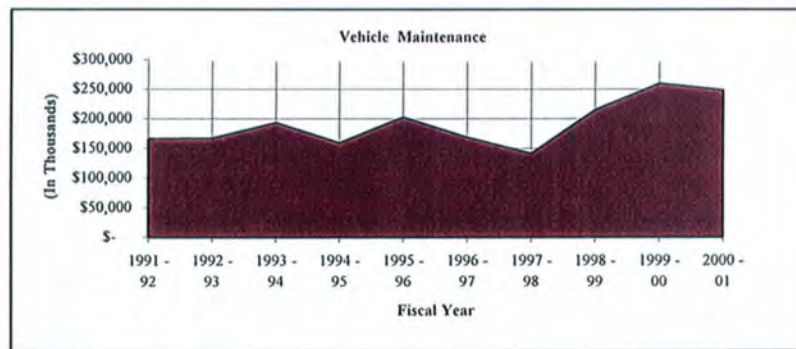
Table 8

Fiscal Year	Operations	Vehicle Maintenance	General & Administrative (1)	Depreciation	Total
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
2000 - 01	469,386	248,150	37,734	281,694	1,036,964

Source: Comprehensive Annual Financial Report

*Merger between LACTC & SCRTRD

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



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	-	229,023	112,081	341,104	5,296	76,460	7,745	89,501	19,916	109,417	5,296	305,483	39,128	100,615	450,522
1997	-	180,572	233,032	413,604 (	731)	46,159	3,510	48,939	9,027	57,965 (	731)	226,731	68,759	176,810	471,569
1998	-	5,760	124,352	124,358	3,539	53,651	21,842	79,033	56,166	135,198	3,539	53,657	56,661	145,699	259,556
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	-	-	109,828	109,874	277	59,871	5,507	65,655	14,159	79,814	277	59,871	30,779	98,761	189,688
2001	-	-	99,148	99,148	-	37,949	8,777	29,172	22,571	6,601	-	37,949	19,389	49,858	107,196
Total	695,884	948,129	874,906	2,518,965	741,765	796,062	87,121	1,624,948	224,023	1,848,971	1,437,649	1,744,191	327,020	860,523	4,369,383

Expenditure Requirement (15% * \$1,624,948)	\$ 243,742
Interest Earned	<u>32,913</u>
Total Required Expenditures	<u>\$ 276,655</u>
Actual Expenditures	<u>\$ 860,523</u>

* 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.