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**Agenda - Final**

**Wednesday, March 3, 2021**

**10:30 AM**

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Los Angeles, CA 90012

**Measure M Independent Taxpayer Oversight**  
**Committee**

*Linda Briskman – Chair*

*Ryan Campbell – Vice Chair*

*Virginia Tanzmann*

*Richard Stanger*

*Gregory Amparano*

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES**  
(ALSO APPLIES TO BOARD COMMITTEES)

**PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

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## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

## ADA REQUIREMENTS

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**323.466.3876**

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

### ROLL CALL

1. **SUBJECT: REMARKS BY THE CHAIR** [2021-0075](#)

**RECOMMENDATION**

RECEIVE remarks by the **Chair**.

2. **SUBJECT: MINUTES** [2021-0076](#)

**RECOMMENDATION**

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 2, 2020.

**Attachments:** [December 2, 2020 MMITOC MINUTES](#)

3. **SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2020** [2020-0935](#)

**RECOMMENDATION**

RECEIVE AND FILE the Independent Auditor's Report on:

- A. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year ended June 30, 2020 completed by BCA Watson Rice, LLP (BCA);
- B. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2020 completed by Vasquez & Company, LLP (Vasquez); and
- C. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2020 completed by Simpson and Simpson (Simpson), CPAs.

**Attachments:** [Attachment A - BCA Audit Report](#)  
[Attachment B - List of Entities Audited by Vasquez](#)  
[Attachment C - List of Entities Audited by Simpson and Simpson](#)  
[Attachment D - Vasquez Audit Report](#)  
[Attachment E - Simpson and Simpson Audit Report](#)

4. **SUBJECT: Oral Report on Budget** [2020-0937](#)

**RECOMMENDATION**

RECEIVE Oral Report on Budget



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Attachments:      [Attachment A - Measure M Committee Select Operating Statistics](#)

5.    **SUBJECT:**    Oral Report on Local Return      [2020-0938](#)

**RECOMMENDATION**

RECEIVE Oral Report on Local Return

Attachments:      [Attachment A - MM Local Return Update](#)

6.    **SUBJECT:**    Oral Report on State of Good Repair      [2020-0940](#)

**RECOMMENDATION**

RECEIVE Oral Report on State of Good Repair

Attachments:      [Attachment A - State of Good Repair](#)

7.    **SUBJECT:**    Oral Report on Transit and Highway Project Status      [2020-0941](#)

**RECOMMENDATION**

RECEIVE Oral Report on Transit and Highway Project Status

Attachments:      [Attachment A - Measure M Transit Projects Updates](#)  
                                 [Attachment B - Measure M Highway Projects Updates](#)

8.    **SUBJECT:**    Oral Report on Active Transportation      [2020-0942](#)

**RECOMMENDATION**

RECEIVE Oral Report on Active Transportation

Attachments:      [Attachment A - Active Transportation Updates](#)

**SUBJECT:**    **GENERAL PUBLIC COMMENT**      [2021-0077](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

**COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION**

**Adjournment**



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

## Board Report

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**File #:** 2021-0076, **File Type:** Minutes

**Agenda Number:** 2.

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**MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE  
MARCH 3, 2020**

**SUBJECT: MINUTES**

**RECOMMENDATION**

APPROVE Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held December 2, 2020.



Virtual Online Meeting

**MINUTES**

**Wednesday, December 2, 2020**

**10:30 AM**

**Measure M Independent Taxpayer Oversight  
Committee**

**Linda Briskman – Chair  
Ryan Campbell – Vice Chair  
Virginia Tanzmann  
Richard Stanger  
Gregory Amparano**

**CALLED TO ORDER: 10:33 A.M.**

**ROLL CALL**

**1. SUBJECT: REMARKS BY THE CHAIR**

**2020-0773**

RECEIVED remarks by the **Chair**.

Chair Briskman asked the other members to email to staff what they would like to see in the work program that they review on a quarterly basis; and commented that she would like to receive hard copies of the materials in the future.

Director Amparano would like to be able to do a trend analysis against a baseline.

**ACTION TAKEN:**

VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

**2. SUBJECT: MINUTES**

**2020-0774**

APPROVED AS AMENDED Minutes of the Measure M Independent Taxpayer Oversight Committee Meeting held September 9, 2020.

Director Stanger asked if the program had a project that undergirds the merger point at Washington and Flower and noted that the interchange has a major capital constraint.

**ACTION TAKEN:**

VT	LB (Chair)	RC	RS	GA
Y	Y	Y	Y	Y

**3. SUBJECT: Oral Report on Budget**

**2020-0753**

RECEIVED Oral Report on Budget

**ACTION TAKEN:**

VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

\*\*\*\*\*

VT = V. Tanzmann	LB = L. Briskman	RC = R. Campbell	RS = R. Stanger	GA = G. Amparano
------------------	------------------	------------------	-----------------	------------------

LEGEND: Y = YES, N = NO, C = CONFLICT, ABS = ABSTAIN, A = ABSENT, P = PRESENT

**4. SUBJECT: Oral Report on Local Return**

**2020-0754**

RECEIVED Oral Report on Local Return

Chair Briskman asked if we have an idea of the impact of CoVid on sales tax. Does the Tax Board show year over year actuals?

Drew Phillips responded that a 10% reduction was expected, but it's currently about 5%, perhaps because of stimulus. February – March L.A. County lost 24% of employment.

Director Amparano asked if the members of the Committee will have access to LRMS. Staff responded affirmatively, adding that they would provide a presentation at the next meeting

ACTION TAKEN:				
VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

**5. SUBJECT: Oral Report on Transit Operations and Maintenance**

**2020-0755**

RECEIVED Oral Report on Transit Operations and Maintenance

Director Stanger began by stating that they should not be reviewing this information according to the Ordinance and then asked staff if there was anything in the OPS budget that would justify the suggested amount of improvement in one year.

Staff responded, new buses and overhauls. Additionally, there has been less traffic and less ridership, and yet we only reach 80% of on time performance due to instability on the bus routes.

Director Tanzmann commented that because of the uniqueness of this era, there may be some adjustments that could be kept into the future.

ACTION TAKEN:				
VT	LB (Chair)	RC	RS	GA
P	P	P	P	P



**6. SUBJECT: Oral Report on State of Good Repair**

**2020-0758**

RECEIVED Oral Report on State of Good Repair

Director Stanger queried why it is that the articulated buses are not in the same state of good repair as the other buses. Staff responded that tracking is done by age only. New buses come in FY21.

Director Amparano asked what "current backlog" means. Staff explained that it means assets past their useful life – past replacement or rehab. Need to keep investing in current assets.

Director Stanger asked if overhaul resets the value to zero; and staff responded that it does not because that is expected to occur.

ACTION TAKEN:				
VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

**7. SUBJECT: Oral Report on Transit and Highway Project Status**

**2020-0756**

RECEIVED Oral Report on Transit and Highway Project Status

Director Stanger requested percent complete for each project.

ACTION TAKEN:				
VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

8. SUBJECT: Oral Report on Active Transportation

2020-0757

RECEIVED Oral Report on Active Transportation

Director Stanger commented that spending \$400M along the L.A. River doesn't seem like an efficient use of money.

Chair Briskman reminded everyone to submit their comments/requests to Monica; and added that she would like to know the percentage of Measure M funds allotted to each project.

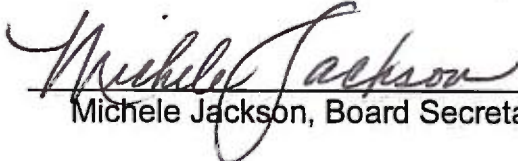
**ACTION TAKEN:**

VT	LB (Chair)	RC	RS	GA
P	P	P	P	P

Next Meeting tentatively scheduled for March 3, 2021.

**MEETING ADJOURNED AT 12:10PM**

Prepared by: Jessica Vasquez Gamez  
Administrative Analyst, Board Administration

  
Michele Jackson, Board Secretary

###

**Board Report**

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**File #:** 2020-0935, **File Type:** Informational Report**Agenda Number:** 3.

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**MEASURE M INDEPENDENT TAXPAYER  
OVERSIGHT COMMITTEE  
MARCH 3, 2021****SUBJECT: MEASURE M AUDITS OF FISCAL YEAR 2020****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE the Independent Auditor's Report on:

- A. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year ended June 30, 2020 completed by BCA Watson Rice, LLP (BCA);
- B. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2020 completed by Vasquez & Company, LLP (Vasquez); and
- C. Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines for the Fiscal Year ended June 30, 2020 completed by Simpson and Simpson (Simpson), CPAs.

**ISSUE**

On November 9, 2016, Los Angeles County voters approved Measure M that imposed a half-cent transaction and use tax for transportation and the indefinite extension of an existing half-cent sales tax (Measure R) also dedicated to transportation and originally set to expire in 2039. Measure M, also known as the Los Angeles County Traffic Improvement Plan Ordinance (Ordinance) establishes an Independent Taxpayer Oversight Committee and an oversight process to ensure that the Los Angeles County Metropolitan Transportation Authority (LACMTA) complies with the terms of the Ordinance. The oversight process requires that an annual audit be completed within six months after the end of the fiscal year to determine compliance with the provisions of the Ordinance related to the receipt and expenditure of sales tax revenues during the fiscal year. The audit must be provided to the Oversight Committee so that the Oversight Committee can determine whether LACMTA and local subrecipients have complied with the Measure M requirements.



## **DISCUSSION**

The following summarizes the independent auditor's report on Schedule of Revenues and Expenditures for Measure M Special Revenue Fund:

Management Audit Services contracted with BCA to perform the independent audit of the LACMTA, as required by the Ordinance. BCA conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that BCA plan and perform the audit to obtain reasonable assurance about whether the Schedule of Measure M Revenues and Expenditures (Schedule) is free of material misstatement.

The auditors found that the Schedule referred to above present fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America. The auditors also found that LACMTA complied, in all material respects, with the requirements of the Ordinance for the fiscal year ended June 30, 2020.

The following summarizes the independent auditor's report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines:

Management Audit Services contracted with two firms, Vasquez and Simpson, to conduct the audits of Measure M sales tax revenues used by the 88 cities (Cities) as well as the County of Los Angeles (County). This report covers the audits of 39 Cities completed by Vasquez as listed in Attachment B; and audits of 49 Cities and the County completed by Simpson and Simpson as listed in Attachment C. The firms conducted the audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the independent auditors plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements in the Ordinance which could have a direct and material effect on the Measure M Local Return program occurred.

Vasquez concluded that the Cities, complied in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2020. Vasquez found 11 instances of noncompliance, which are summarized in Schedule 2 of Attachment D. Resolution of the instances of noncompliance is discussed in another item within this agenda titled Measure M Local Return Compliance Status.

Simpson and Simpson concluded that the Cities and County complied, in all material respects, with the requirements in the Ordinance that are applicable to the Measure M Local Return program for the fiscal year ended June 30, 2020. Simpson and Simpson found 10 instances of noncompliance, which are summarized in Schedule 2 of Attachment E. Resolution of the instances of noncompliance is discussed in another item within this agenda titled Measure M Local Return Compliance Status.

## **NEXT STEPS**

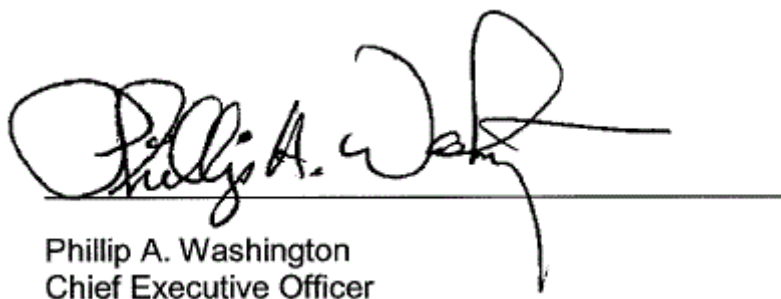
A public hearing will be scheduled.

**ATTACHMENT(S)**

- A. Independent Auditor's Report on Schedule of Revenues and Expenditures for Measure M Special Revenue Fund for the Fiscal Year Ended June 30, 2020
- B. List of Entities Audited by Vasquez
- C. List of Entities Audited by Simpson and Simpson
- D. Report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines (Vasquez)
- E. Report on Compliance with Requirements Applicable to Measure M Ordinance and Measure M Local Return Guidelines (Simpson and Simpson)

Prepared by: Lauren Choi, Sr. Director (Interim), Audit, (213) 922-3926  
Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Shalonda Baldwin, Executive Officer, Administration, (213) 418-3265



Phillip A. Washington  
Chief Executive Officer

**LOS ANGELES COUNTY  
METROPOLITAN  
TRANSPORTATION AUTHORITY**

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INDEPENDENT AUDITOR'S REPORT  
ON SCHEDULE OF REVENUES AND EXPENDITURES  
FOR  
MEASURE M SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)



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**Los Angeles County Metropolitan Transportation Authority**

Independent Auditor’s Report on  
Schedule of Revenues and Expenditures  
For  
Measure M Special Revenue Fund

For the Fiscal Year Ended June 30, 2020  
(With Comparative Totals for 2019)

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## **Independent Auditor's Report**

Measure M Independent Taxpayer Oversight Committee  
Los Angeles County Metropolitan Transportation Authority

### **Report on the Schedule of Measure M Revenues and Expenditures**

We have audited the accompanying Schedule of Measure M Revenues and Expenditures (the Schedule) of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the fiscal year ended June 30, 2020, and the related notes to the Schedule, which collectively comprise LACMTA's basic Schedule as listed in the table of contents.

#### ***Management's Responsibility for the Schedule of Measure M Revenues and Expenditures***

LACMTA's management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the Schedule referred to above present fairly, in all material respects, the Measure M Revenues and Expenditures of LACMTA for the fiscal year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matter***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 4 be presented to supplement the Schedule. Such information, although not a part of the basic Schedule, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic Schedule in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic Schedule, and other knowledge we obtained during our audit of the basic Schedule. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

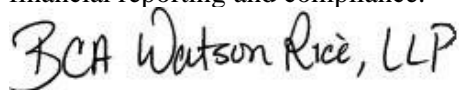
As discussed in Note 3 to the Schedule, the accompanying Schedule of the Measure M Fund is intended to present the revenues and expenditures attributable to the Fund. They do not purport to, and do not, present fairly the financial position of the LACMTA, as of June 30, 2020, and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Prior-Year Comparative Information***

We have previously audited the Schedule of Measure M Revenues and Expenditures of LACMTA, and we expressed an unmodified audit opinion in our report dated November 7, 2019. In our opinion, the summarized comparative information presented herein for the fiscal year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2020, on our consideration of LACMTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LACMTA's internal control over financial reporting and compliance.



Torrance, CA  
November 16, 2020

**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Schedule of Revenues and Expenditures  
For the Fiscal Year Ended June 30, 2020  
(With Comparative Totals for 2019)  
(Amounts expressed in thousands)

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	<b>2020</b>	<b>2019</b>
Revenues		
Sales tax	\$ 820,724	\$ 836,173
Intergovernmental	8,432	-
Investment income	15,968	10,160
Net appreciation in fair value of investments	5,450	4,706
	850,574	851,039
Total revenues		
Expenditures		
Administration and other	27,787	20,682
Transportation subsidies	213,149	198,481
	240,936	219,163
Total expenditures		
Excess of revenues over expenditures	609,638	631,876
Other financing sources (uses)		
Transfers out	(656,362)	(382,763)
	(656,362)	(382,763)
Total other financing sources (uses)		
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (46,724)	\$ 249,113

The Notes to the Schedule of Revenues and Expenditures are an integral part of this Schedule.

**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Notes to the Schedule of Revenues and Expenditures  
June 30, 2020

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The Notes to the Schedule of Revenues and Expenditures are summaries of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying schedule of revenues and expenditures.

Unless otherwise stated, all dollar amounts are expressed in thousands.

**1. Organization**

**General**

The Los Angeles County Metropolitan Transportation Authority (LACMTA) is governed by a Board of Directors 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, and four members who are either mayors or members 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.

LACMTA is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest and most populous counties. More than 10 million people, about one third of California's residents, live, work, and play within its 1,433-square-mile service area.

**Measure M**

Measure M, also known as Ordinance No. 16-01, the Los Angeles County Traffic Improvement Plan, is a special revenue fund used to account for the proceeds of the voter-approved one-half percent sales tax that became effective on November 8, 2016 and the rate of the tax shall increase to one percent on July 1, 2039, immediately upon expiration of the one-half percent sales tax imposed by Traffic Relief and Rail Expansion Ordinance (Measure R).

Revenues collected are required to be allocated in the following manner: 1) 5% for Metro rail operations; 2) 20% for transit operations (Metro and Municipal Providers); 3) 2% for ADA Paratransit for the disabled and Metro discounts for seniors and students 4) 35% for transit construction; 5) 2% for Metro State of Good Repair projects; 6) 17% for highway construction; 7) 2% for Metro active transportation program; 8) 16% for local return - base for local projects and transit services; and 9) 1% for local return for regional rail.

**2. Summary of Significant Accounting Policies**

The Schedule of Revenues and Expenditures for the Measure M Special Revenue Fund was prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles for governments.

The most significant of LACMTA's accounting policies with regard to the special revenue fund type are described below:



**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Notes to the Schedule of Revenues and Expenditures  
June 30, 2020

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**2. Summary of Significant Accounting Policies (Continued)**

**Fund Accounting**

LACMTA utilizes fund accounting to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Governmental Funds are used to account for most of LACMTA's governmental activities. The measurement focus is a determination of changes in financial position, rather than a net income determination. LACMTA uses governmental fund type Special Revenue Fund to account for Measure M sales tax revenues and expenditures. Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Basis of Accounting**

The modified accrual basis of accounting is used for the special revenue fund type. Under the modified accrual basis of accounting, revenues 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).

**Budgetary Accounting**

The established legislation and adopted policies and procedures provide that the LACMTA's Board approves an annual budget. Annual budgets are adopted on a basis consistent with Generally Accepted Accounting Principles in the United States of America for all governmental funds.

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 no later than June 30, adopts the final budget. All appropriations lapse at fiscal year-end. The 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. Budget amendments are made when needed.

Annual budgets are adopted by LACMTA on the modified accrual basis of accounting for the special revenue fund types, on a basis consistent with GAAP as reflected in the Schedule.

**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Notes to the Schedule of Revenues and Expenditures  
June 30, 2020

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**2. Summary of Significant Accounting Policies (Continued)**

**Investment Income and Net Appreciation (Decline) in Fair Value of Investments**

Investment income and net appreciation (decline) in fair value of investments are shown on the Schedule of Revenues and Expenditures. LACMTA maintains a pooled cash and investments account that is available for use by all funds, except those restricted by state statutes. For the fiscal year ended June 30, 2020, the Measure M fund had investment income of \$15,968 and net appreciation in fair value of investments of \$5,450. The net appreciation in investments was mainly due to an increase in fair market value of the investment portfolios mostly invested in bonds, which are sensitive to changes in interest rates.

**Use of Estimates**

The preparation of the Schedule in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Comparative Financial Data**

The amounts shown for 2019 in the accompanying Schedule are included only to provide a basis for comparison with 2020 and are not intended to present all information necessary for a fair presentation in accordance with Generally Accepted Accounting Principles.

**3. Schedule of Revenues and Expenditures for Measure M Special Revenue Fund**

The Schedule is intended to reflect the revenues and expenditures of the Measure M fund only. Accordingly, the Schedule does not purport to, and does not, present fairly the financial position of the LACMTA and changes in financial position thereof for the year then ended in conformity with Generally Accepted Accounting Principles in the United States of America.

**4. Intergovernmental Transactions**

Any transaction conducted with a governmental agency outside the complete jurisdiction of LACMTA will be recorded in an account designated as Intergovernmental.

**5. Operating Transfers**

Amounts reflected as operating transfers represent permanent, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended. All operating transfers in/out of the Measure M Special Revenue Fund have been made in accordance with all expenditure requirements of the Measure M Ordinance.

**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Notes to the Schedule of Revenues and Expenditures  
June 30, 2020

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**6. Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses**

The Measure M fund at June 30, 2020 had a deficiency of revenues over expenditures and other financing uses of \$46,724 due to a shortfall in expected sales tax revenues resulting from COVID-19 lockdowns and stay-at-home orders while transportation subsidies and transfers out for funding of capital projects mostly for the Expo/Blue Line Light Rail Vehicle, Westside Subway Extension Section 3, Airport Metro Connector, and Goldline Foothill Extension Phase 2B were paid and released as projected, resulting in a decrease in Measure M Fund balance from \$678,681 to \$631,957 at June 30, 2020.

**7. Audited Financial Statements**

The audited financial statements for the Measure M Special Revenue Fund for the fiscal year ended June 30, 2020 are included in LACMTA's Audited Comprehensive Annual Financial Report (CAFR).

**8. Contingent Liabilities**

LACMTA is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of LACMTA.

**9. COVID-19 Impact and Considerations**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. LACMTA expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

**10. Subsequent Events**

In preparing the Schedule of Measure M Revenues and Expenditures, LACMTA has evaluated events and transactions for potential recognition or disclosure through November 16, 2020, the date the schedule was issued. No subsequent events occurred that require recognition or additional disclosure in the schedule.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Special Revenue Fund**  
**Schedule of Revenues and Expenditures – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**  
(Amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Sales tax	\$ 873,000	\$ 873,000	\$ 820,724	\$ (52,276)
Intergovernmental	-	-	8,432	8,432
Investment income	-	-	15,968	15,968
Net appreciation in fair value of investments	-	-	5,450	5,450
<b>Total revenues</b>	<b>873,000</b>	<b>873,000</b>	<b>850,574</b>	<b>(22,426)</b>
Expenditures				
Administration and other	55,792	44,510	27,787	16,723
Transportation subsidies	216,415	221,415	213,149	8,266
<b>Total expenditures</b>	<b>272,207</b>	<b>265,925</b>	<b>240,936</b>	<b>24,989</b>
<b>Excess of revenues over expenditures</b>	<b>600,793</b>	<b>607,075</b>	<b>609,638</b>	<b>2,563</b>
Other financing sources (uses)				
Transfers in	6,946	6,946	-	(6,946)
Transfers out	(703,659)	(703,659)	(656,362)	47,297
<b>Total other financing sources (uses)</b>	<b>(696,713)</b>	<b>(696,713)</b>	<b>(656,362)</b>	<b>40,351</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ (95,920)</b>	<b>\$ (89,638)</b>	<b>\$ (46,724)</b>	<b>\$ 42,914</b>

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Measure M Independent Taxpayer Oversight Committee  
Los Angeles County Metropolitan Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Revenues and Expenditures (the Schedule) for Measure M Special Revenue Fund of the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the fiscal year ended June 30, 2020, and the related notes to the Schedule, which collectively comprised LACMTA's basic Schedule, and have issued our report thereon dated November 16, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the LACMTA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LACMTA's internal control. Accordingly, we do not express an opinion on the effectiveness of the LACMTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the LACMTA's Schedule will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the LACMTA's Schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the amounts on the Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BCA Watson Rice, LLP*

Torrance, California  
November 16, 2020

**Independent Auditor's Report on Compliance with Requirements Applicable to  
Measure M Revenues and Expenditures in Accordance with the  
*Los Angeles County Traffic Improvement Plan*  
*Ordinance No. 16-01***

Measure M Independent Taxpayer Oversight Committee  
Los Angeles County Metropolitan Transportation Authority

**Report on Compliance**

We have audited the Los Angeles County Metropolitan Transportation Authority (LACMTA) compliance of the Measure M Revenues and Expenditures with the compliance requirements described in the *Los Angeles County Traffic Improvement Plan* (the Ordinance) for the fiscal year ended June 30, 2020.

***Management's Responsibility***

LACMTA's management is responsible for compliance with the requirements of laws and regulations applicable to the Measure M Revenues and Expenditures.

***Auditor's Responsibility***

Our responsibility is to express an opinion on LACMTA's compliance with the Measure M Revenues and Expenditures based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure M Revenues and Expenditures occurred. An audit includes examining, on a test basis, evidence about the LACMTA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on the Measure M Revenues and Expenditures. However, our audit does not provide a legal determination of LACMTA's compliance.

***Opinion on Measure M Revenues and Expenditures***

In our opinion, LACMTA complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Measure M Revenues and Expenditures for the fiscal year ended June 30, 2020.

## Report on Internal Control over Compliance

Management of the LACMTA is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the LACMTA's internal control over compliance with the requirements that could have a direct and material effect on the Measure M Revenues and Expenditures as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the *Los Angeles County Traffic Improvement Plan*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LACMTA's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a compliance requirement of the Measure M Revenues and Expenditures that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guidelines. Accordingly, this report is not suitable for any other purpose.

BCA Watson Rice, LLP

Torrance, California  
November 16, 2020



**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Summary of Current Year Audit Findings  
For the Fiscal Year Ended June 30, 2020

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None noted.

**Los Angeles County Metropolitan Transportation Authority**  
Measure M Special Revenue Fund  
Status of Prior Year Audit Findings

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None noted.

Measure M List of Cities Audited by Vasquez

Agoura Hills	Lawndale
Azusa	Lynwood
Baldwin Park	Malibu
Bell	Maywood
Bell Gardens	Montebello
Beverly Hills	Monterey Park
Calabasas	Pico Rivera
Carson	Pomona
Commerce	Rosemead
Compton	San Fernando
Cudahy	Santa Fe Springs
Culver City	Santa Monica
El Monte	South El Monte
Gardena	South Gate
Hawthorne	Vernon
Hidden Hills	Walnut
Huntington Park	West Hollywood
Industry	Westlake Village
Inglewood	
Irwindale	
La Puente	

Measure M List of Cities Audited by Simpson

Alhambra	Long Beach
Arcadia	Los Angeles City
Artesia	Los Angeles County
Avalon	Manhattan Beach
Bellflower	Monrovia
Bradbury	Norwalk
Burbank	Palmdale
Cerritos	Palos Verdes Estates
Claremont	Paramount
Covina	Pasadena
Diamond Bar	Rancho Palos Verdes
Downey	Redondo Beach
Duarte	Rolling Hills
El Segundo	Rolling Hills Estates
Glendale	San Dimas
Glendora	San Gabriel
Hawaiian Gardens	San Marino
Hermosa Beach	Santa Clarita
La Canada Flintridge	Sierra Madre
La Habra Heights	Signal Hill
La Mirada	South Pasadena
La Verne	Temple City
Lakewood	Torrance
Lancaster	West Covina
Lomita	Whittier



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS  
APPLICABLE TO MEASURE M ORDINANCE  
AND MEASURE M LOCAL RETURN GUIDELINES  
TO THE LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS  
APPLICABLE TO MEASURE M ORDINANCE  
AND MEASURE M LOCAL RETURN GUIDELINES  
  
TO THE LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY  
  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund Consolidated Audit Report  
Fiscal Year Ended June 30, 2020**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MEASURE M ORDINANCE AND  
MEASURE M LOCAL RETURN GUIDELINES**

**To: Board of Directors of the Los Angeles County Metropolitan Transportation Authority  
and Measure M Independent Taxpayer Oversight Committee**

**Report on Compliance**

We have audited the compliance of the thirty-nine (39) Cities identified in Schedule 1, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County voter-approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA), approved by its Board of Directors on June 22, 2017 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by LACMTA and the respective Cities for the year ended June 30, 2020 (collectively, the Requirements). Compliance with the above noted Guidelines and Requirements by the Cities are identified in the accompanying Summary of Compliance Findings, Schedule 1 and Schedule 2.

***Management's Responsibility***

Compliance with the Guidelines and Requirements is the responsibility of the respective management of the Cities.

***Auditor's Responsibility***

Our responsibility is to express opinions on the Cities' compliance with the Guidelines and Requirements referred to above based on our audits. We conducted our audits of compliance in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of requirements referred to above that could have a direct and material effect on the Measure M Local Return program occurred. An audit includes examining, on a test basis, evidence about each City's compliance with the Guidelines and Requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance. However, our audits do not provide a legal determination of each City's compliance with the Guidelines and Requirements.





## **Opinion**

In our opinion, the Cities complied, in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2020.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and Requirements and which are described in the accompanying Summary of Audit Results (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2020-001 through #2020-011. Our opinion is not modified with respect to these matters.

Responses by the Cities to the noncompliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

## **Report on Internal Control over Compliance**

The management of each City is responsible for establishing and maintaining effective internal control over compliance with the Guidelines and Requirements referred to above. In planning and performing our audits of compliance, we considered each City's internal control over compliance with the Guidelines and Requirements that could have a direct and material effect on the Measure M Local Return program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guidelines and Requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of each City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the requirements, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the requirements that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2020-004 and #2020-009, that we consider to be significant deficiencies.



The Cities' responses to the findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The Cities' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Guidelines and Requirements. Accordingly, this report is not suitable for any other purpose.

*Vasquez & Company LLP*

**Glendale, California  
December 31, 2020**

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Compliance Findings  
Fiscal Year Ended June 30, 2020**

The audits of the 39 cities identified in Schedule 1 have resulted in 11 findings. The table below summarizes those findings:

<b>Finding</b>	<b># of Findings</b>	<b>Responsible Cities/ Finding No. Reference</b>	<b>Questioned Costs</b>	<b>Resolved During the Audit</b>
Funds were expended for transportation purposes.	1	South El Monte (See Finding #2020-009)	\$ 507	\$ -
Funds were expended with LACMTA's approval.	5	Baldwin Park (See Finding #2020-002) Bell Gardens (See Finding #2020-003) Calabasas (See Finding #2020-005) Carson (See Finding #2020-006) West Hollywood (See Finding #2020-010)	52,500 14,300 50,801 569,449 281,596	52,500 14,300 50,801 569,449 281,596
Expenditure Plan (Form M-One) was submitted timely.	5	Azusa (See Finding #2020-001) Bell Gardens (See Finding #2020-004) Industry (See Finding #2020-007) Maywood (See Finding #2020-008) West Hollywood (See Finding #2020-011)	None None None None None	None None None None None
<b>Total Findings and Questioned Costs</b>	<b>11</b>		<b>\$ 969,153</b>	<b>\$ 968,646</b>

Details of the findings are in Schedule 2.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020**

<b>Compliance Area Tested</b>	<b>Agoura Hills</b>	<b>Azusa</b>	<b>Baldwin Park</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	See Finding #2020-002
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-001	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Bell</b>	<b>Bell Gardens</b>	<b>Beverly Hills</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Not Applicable
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Not Applicable
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	See Finding #2020-003	Not Applicable
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-004	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Calabasas</b>	<b>Carson</b>	<b>Commerce</b>
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	See Finding #2020-005	See Finding #2020-006	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Compton</b>	<b>Cudahy</b>	<b>Culver City</b>
Funds were expended for transportation purposes.	Compliant	Not Applicable	Not Applicable
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Not Applicable
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Not Applicable
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Not Applicable	Not Applicable
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>El Monte</b>	<b>Gardena</b>	<b>Hawthorne</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable



**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Hidden Hills</b>	<b>Huntington Park</b>	<b>Industry</b>
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	See Finding #2020-007
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Inglewood</b>	<b>Irwindale</b>	<b>La Puente</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Lawndale</b>	<b>Lynwood</b>	<b>Malibu</b>
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Not Applicable	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Maywood</b>	<b>Montebello</b>	<b>Monterey Park</b>
Funds were expended for transportation purposes.	Not Applicable	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Not Applicable	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Not Applicable	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	See Finding #2020-008	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Compliant	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Pico Rivera</b>	<b>Pomona</b>	<b>Rosemead</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Compliant	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>San Fernando</b>	<b>Santa Fe Springs</b>	<b>Santa Monica</b>
Funds were expended for transportation purposes.	Compliant	Not Applicable	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Not Applicable	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>South El Monte</b>	<b>South Gate</b>	<b>Vernon</b>
Funds were expended for transportation purposes.	See Finding #2020-009	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Walnut</b>	<b>West Hollywood</b>	<b>Westlake Village</b>
Funds were expended for transportation purposes.	Compliant	Compliant	Compliant
Funds were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	See Finding #2020-010	Compliant
Expenditure Plan (Form M-One) was submitted timely.	Compliant	See Finding #2020-011	Compliant
Expenditure Report (Form M-Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds.	Compliant	Compliant	Compliant
Administrative expenses are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable



**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020**

<b>Finding #2020-001</b>	<b>City of Azusa</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
<b>Condition</b>	The City submitted its Expenditure Plan (Form M-One) on August 15, 2019, 14 days after the due date of August 1, 2019.
<b>Cause</b>	The City engaged a consultant to complete the Measure M Expenditure Plan (Form M-One) after staff was out for an extended sick leave absence. The vendor did not file the documentation timely.
<b>Effect</b>	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
<b>Recommendation</b>	We recommend the City establish procedures and internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
<b>Management's Response</b>	Management will ensure that the Expenditure Plan (Form M-One) is submitted in a timely manner by the due date of August 1.
<b>Finding Corrected During the Audit</b>	The City subsequently submitted the Expenditure Plan (Form M-One). No follow up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-002</b>	<b>City of Baldwin Park</b>
<b>Compliance Reference</b>	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
<b>Condition</b>	The City claimed expenditures under MMLRF Project code 01-006 Complete Streets - Maine Phase II, totaling \$52,500, with no prior approval from LACMTA.
<b>Cause</b>	The City continued transitioning of various reporting requirements among several staff members and departments throughout this year. Although the coordination among the various departments has greatly improved, staff is still adjusting to the newly implemented procedures that resulted from the previous year's findings. A combination of new staff positions and new procedures led to an oversight on the timely completion of the forms. This has been addressed and discussed with staff and should not re-occur moving forward.
<b>Effect</b>	The City claimed expenditures totaling \$52,500 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.
<b>Recommendation</b>	We recommend that the City establish procedures and internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-002 (Continued)</b>	<b>City of Baldwin Park</b>
<b>Management's Response</b>	Procedures implemented in the most recent audit year have addressed hurdles in the preparation and submittal of the appropriate information in order to meet compliance with Measure M Local Return Program Guidelines. Further, staff has been trained in the use of LACMTA's new Local Return Management System (LRMS) portal "Smartsheet" system which is expected to greatly improve the City's reporting submittal requirements. In addition, the City implemented a two-step verification process that includes both Finance and Public Works department staff obtaining verification of approval by LACMTA before issuing any checks and expending any funds for the projects.
<b>Finding Corrected During the Audit</b>	LACMTA Program Manager granted a retroactive approval of projects' budget on October 22, 2020. No follow up is required.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-003</b>	<b>City of Bell Gardens</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
<b>Condition</b>	<p>The City claimed expenditures for MMLRF project code 1.05, Measure M Slurry Seal Zone 1 Project, totaling \$14,300, with no prior approval from LACMTA:</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of said project on September 24, 2020.</p>
<b>Cause</b>	The finding was caused by an oversight by City staff.
<b>Effect</b>	The City claimed expenditures totaling \$14,300 without prior approval from LACMTA. Lack of prior approval results in non-compliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.
<b>Recommendation</b>	We recommend the City establish procedures and implement internal controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
<b>Management's Response</b>	The City is going to reevaluate the processes that are in place to ensure forms are submitted to LACMTA timely.
<b>Finding Corrected During the Audit</b>	LACMTA Program Manager granted retroactive approval of said project on September 24, 2020. No additional follow up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-004</b>	<b>City of Bell Gardens</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
<b>Condition</b>	<p>The City submitted its Expenditure Plan (Form M-One) on August 21, 2019, 20 days after the due date of August 1, 2019.</p> <p>This is a repeat finding from prior year's audit.</p>
<b>Cause</b>	<p>The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.</p>
<b>Effect</b>	<p>The City was not in compliance with the reporting requirements of the Local Return Guidelines.</p>
<b>Recommendation</b>	<p>We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1<sup>st</sup> as required by the Guidelines.</p>
<b>Management's Response</b>	<p>The City is going to reevaluate the processes that are in place to ensure forms are submitted to LACMTA timely.</p>
<b>Finding Corrected During the Audit</b>	<p>The City subsequently submitted the form. No follow up is required.</p>

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-005</b>	<b>City of Calabasas</b>
<b>Compliance Reference</b>	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
<b>Condition</b>	<p>The City claimed expenditures for the following MMLRF projects with no prior approval from LACMTA.</p> <ol style="list-style-type: none"> <li>1) Project code 1.05, Mulholland Gap Closure, totaling \$4,721;</li> <li>2) Project code 1.05, Rondell Park &amp; Ride, totaling \$12,655; and</li> <li>3) Project code 1.05, SB743 Implementation, totaling \$33,425.</li> </ol> <p>Although we found the expenditures to be eligible for Local Return funding, the projects had no prior approval from LACMTA.</p>
<b>Cause</b>	<p>There was a misunderstanding of the procedure among the staff. Staff was under the impression that because the funds were already in the City account, they could be expended as long as it was for an eligible project under the guidelines - as opposed to requesting a budget approval from LACMTA prior to incurring the expenditures.</p>
<b>Effect</b>	<p>The City claimed expenditures totaling \$50,801 without prior approval from LACMTA. Lack of prior approvals results in non-compliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-005 (Continued)</b>	<b>City of Calabasas</b>
<b>Recommendation</b>	We recommend the City establish procedures to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.
<b>Management's Response</b>	Staff has received clear instructions that an expenditure plan must be submitted to LACMTA before claiming expenditure for each project. Expenditure may begin once LACMTA grants an approval.
<b>Finding Corrected During the Audit</b>	LACMTA Program Manager granted a retroactive approval of said project on November 19, 2020.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
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**(Continued)**

<b>Finding #2020-006</b>	<b>City of Carson</b>
<b>Compliance Reference</b>	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
<b>Condition</b>	<p>The City claimed expenditures for Measure M's share in the Measure M and R Bond Debt Service Payment, totaling \$569,449 with no prior approval from LACMTA.</p> <p>The projects to be financed by the bond proceeds were approved when the bonds were issued in October 2019, however, the City is still required to include the annual budgeted amounts of debt service in Form M-One and have it approved by LACMTA.</p>
<b>Cause</b>	<p>The City was not aware that Bond Debt Service payments require annual approval from LACMTA as it is the City's first time issuing Measure M and R Bonds, which are payable from MRLRF and MMLRF funds. However, all future Bond Debt Service payments shall be reported and/or budgeted accordingly.</p>
<b>Effect</b>	<p>The City claimed expenditures totaling \$569,449 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA.</p>
<b>Recommendation</b>	<p>We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.</p>



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**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-006 (Continued)</b>	<b>City of Carson</b>
<b>Management's Response</b>	<p>The City will obtain LACMTA approval prior to spending on LACMTA funded projects.</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on October 15, 2020.</p>
<b>Findings Resolved During the Audit</b>	LACMTA Program Manager granted retroactive approval of said project on October 15, 2020. No additional follow up is required.

**Los Angeles County Metropolitan Transportation Authority**  
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**(Continued)**

<b>Finding #2020-007</b>	<b>City of Industry</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
<b>Condition</b>	The City submitted its Expenditure Plan (Form M-One) on August 14, 2019, 13 days after the due date of August 1, 2019.
<b>Cause</b>	The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.
<b>Effect</b>	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
<b>Recommendation</b>	We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 <sup>st</sup> as required by the Guidelines.
<b>Management's Response</b>	The City has since put in extra procedures to ensure timely reporting to comply with the requirements and the FY 2021 budget was filed on time.
<b>Finding Corrected During the Audit</b>	The City subsequently submitted the form. No follow up is required.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-008</b>	<b>City of Maywood</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
<b>Condition</b>	The City submitted its Expenditure Plan (Form M-One) on August 20, 2019, 19 days after the due date of August 1, 2019.
<b>Cause</b>	The Form M-One report was submitted late due to an oversight by City staff assigned to complete the task.
<b>Effect</b>	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
<b>Recommendation</b>	We recommend the City establish procedures and internal controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 <sup>st</sup> as required by the Guidelines.
<b>Management's Response</b>	Management will ensure that the Expenditure Plan (Form M-One) is submitted in a timely manner by the due date of August 1.
<b>Finding Corrected During the Audit</b>	The City subsequently submitted the form. No follow up is required.

**Los Angeles County Metropolitan Transportation Authority  
 Measure M Local Return Fund  
 Schedule of Findings and Questioned Costs  
 Fiscal Year Ended June 30, 2020  
 (Continued)**

<b>Finding #2020-009</b>	<b>City of South El Monte</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Guidelines Section XXV Program Objectives states that, “The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to Jurisdictions may be used for purposes other than transportation purposes”. Also, Section XXV, Administrative, Audit Requirements states that, “It is the jurisdictions’ responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit as prescribed in these Guidelines”.</p> <p>On February 14, 2019, the LACMTA Local Return Program Manager re-affirmed the memo issued on April 29, 2014 addressed to all Jurisdictions to provide clarification for adequate salary and related costs documentations for the audit of the Local Return funds.</p> <p>Below are recommendations to ensure that jurisdictions have adequate evidence to support its compliance with the Local Return Guidelines:</p> <ol style="list-style-type: none"> <li>1. All hours are required to be documented. Develop and/or maintain a system that will keep track of actual hours worked by employees whose salaries and benefits were charged to the LACMTA project. Expenditures claimed based solely on budgeted amounts is not considered adequate documentation because it does not reflect actual expenditures incurred on the LACMTA project and do not provide adequate evidence that labor hours charged has transit/transportation purpose. The record of hours worked must: a) identify the LACMTA project, b) be authenticated by the employee and approved by his/her immediate supervisor, and c) tie to hours reported in the payroll records.</li> <li>2. Provide adequate support for indirect costs. For indirect expenditures allocated to LACMTA projects, develop and/or maintain a system that distributes allowable expenditures to projects based on causal or beneficial relationships. Expenditures cannot be claimed on LACMTA project if the expenditures are not allowable (i.e., not transportation or transit related) or not allocable to the LACMTA project (i.e., LACMTA project did not cause the incurrence of the expenditure or LACMTA project did not benefit from the expenditure).</li> </ol>

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-009 (Continued)</b>	<b>City of South El Monte</b>
<b>Condition</b>	<p>The City claimed salaries and benefits expenditures under project code 8.10, Administration, of \$507 which is based on budget and are not supported by actual time charges.</p> <p>This is a repeat finding from prior year's audit.</p>
<b>Cause</b>	<p>In fiscal year 2020, the City made a switch from predetermined allocation per City adopted budget to timesheet. However, due to the year being a transition year, HR and Payroll setup had to be reevaluated numerous times, as the City encountered situations in which only salaries appeared in special revenue funds without benefits or overhead.</p>
<b>Effect</b>	<p>If the labor charges are not supported by actual time charges and documented time study or indirect cost allocation plan, the costs are considered unallowable and the Guidelines require the City to return the money to the Local Return Funds.</p>
<b>Recommendation</b>	<p>We recommend that the City provide documentation to support the salaries and benefit charges to MMLRF. If these documents are not provided, the City is required to reimburse its MMLRF account the amount of \$507.</p> <p>In addition, we recommend the City establish controls to ensure that the salaries and benefits charged to the Local Return funds are adequately supported by timesheets, payroll registers, personnel action forms with job descriptions, or similar documentation as required by the Guidelines.</p>
<b>Management's Response</b>	<p>In order to systematically irradicate any unnecessary complexity and confusion regarding reimbursable labor cost going forward, the City intends to accomplish the following:</p> <ol style="list-style-type: none"> <li>1. Complete the cost and fee study currently being conducted by NBS, who were selected through a formal RFP process. Once the study is complete, the fully burdened hourly rate of each employee will be known.</li> <li>2. Default all City employee labor hours to the General Fund.</li> <li>3. Require all City employee to track labor hours spent working on special revenue fund projects on timesheets.</li> <li>4. Have the special revenue funds reimburse the General Fund based on employee's fully burdened hourly rate multiplied by the actual hours worked per timesheet.</li> </ol>

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-010</b>	<b>City of West Hollywood</b>
<b>Compliance Reference</b>	<p>Section XXV Administrative, Expenditure Plan (Form M-One) of the Measure M Local Return Program Guidelines state that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1st of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan".</p>
<b>Condition</b>	<p>The City claimed expenditures for MMLRF Project code 7.90 Early Project Delivery Strategy (Funding Studies) – Northern Extension Crenshaw, totaling \$281,596, with no prior approval from LACMTA.</p> <p>This project was previously approved in the prior year, however, the City is still required to submit Form M-One every year, carry over the budget, and have it approved by LACMTA.</p>
<b>Cause</b>	The finding was caused by staff turnover. The above project was not included as a carryover project in the Expenditure Plan (Form M-One) submitted to LACMTA for approval for the projects that will be funded with Measure M.
<b>Effect</b>	<p>The City claimed expenditures totaling \$281,596 without prior approval from LACMTA. Lack of prior approval results in noncompliance which could impact future funding or result in questioned costs that require funding to be returned to LACMTA; the \$281,596 does not need to be returned.</p> <p>This project was previously approved in prior year and the City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on September 22, 2020.</p>
<b>Recommendation</b>	We recommend the City establish procedures and controls to ensure that approval is obtained from LACMTA prior to spending on Measure M-funded projects.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-010 (Continued)</b>	<b>City of West Hollywood</b>
<b>Management's Response</b>	<p>The City will obtain LACMTA approval prior to spending LACMTA funded projects.</p> <p>The City submitted a revised Expenditure Plan (Form M-One) to the LACMTA Program Manager and obtained a retroactive approval of the said project on September 22, 2020.</p>
<b>Finding Corrected During the Audit</b>	<p>LACMTA Program Manager granted retroactive approval of the said project on September 22, 2020. No additional follow up is required and the \$281,596 does not need to be returned.</p>

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-011</b>	<b>City of West Hollywood</b>
<b>Compliance Reference</b>	<p>Measure M Local Return Program Guidelines, Section XXV, Local Return, Administrative Reporting Requirements, Expenditure Plan (Form M-One) states that, "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdiction shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1<sup>st</sup> of each year".</p> <p>"Expenditure Plan (Form M-One) provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operating and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). LACMTA will provide LR funds to a capital project or program sponsor who submits the required expenditure plan."</p>
<b>Condition</b>	The City submitted its Expenditure Plan (Form M-One) on October 9, 2019, 69 days after the due date of August 1, 2019.
<b>Cause</b>	The Form M-One report was submitted late due to staff turnover.
<b>Effect</b>	The City was not in compliance with the reporting requirements of the Local Return Guidelines.
<b>Recommendation</b>	We recommend the City establish procedures and controls to ensure that the Expenditure Plan (Form M-One) is submitted by August 1 <sup>st</sup> as required by the Guidelines.
<b>Management's Response</b>	City staff assigned to complete the Form M-One has been advised of the August 1 <sup>st</sup> deadline to submit the report. In addition, an outlook calendar reminder will be set up on the calendar of all program managers to ensure that all reports are completed and submitted to the LACMTA in a timely fashion.
<b>Finding Corrected During the Audit</b>	The City subsequently submitted the form. No follow up is required.





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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MEASURE M ORDINANCE  
AND MEASURE M LOCAL RETURN  
GUIDELINES**

**TO THE LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION AUTHORITY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**



Simpson & Simpson, LLP  
Certified Public Accountants

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Consolidated Audit Report**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MEASURE M ORDINANCE AND MEASURE M LOCAL RETURN GUIDELINES**

To: Board of Directors of the Los Angeles County Metropolitan Transportation Authority  
and Measure M Independent Taxpayer Oversight Committee

### **Report on Compliance**

We have audited the compliance of the forty-nine (49) Cities and the County of Los Angeles identified in Schedule 1, with the types of compliance requirements described in the Measure M Ordinance enacted through a Los Angeles County (the County) voter approved law in November 2016; Measure M Local Return Guidelines, issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA), approved by its Board of Directors on June 22, 2018 (collectively, the Guidelines); and the respective Assurances and Understandings Regarding Receipt and Use of Measure M Local Return Funds, executed by LACMTA and the respective Cities and the County for the year ended June 30, 2020 (collectively, the Requirements). Compliance with the above noted Guidelines and Requirements by the Cities and the County are identified in the accompanying Summary of Compliance Findings, Schedule 1 and Schedule 2.

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

Compliance with the Guidelines and Requirements is the responsibility of the respective Cities' and the County's management.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on the Cities' and the County's compliance with the Guidelines and Requirements referred to above based on our audits. We conducted our audits of compliance in accordance with the auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of requirements referred to above that could have a direct and material effect on the Measure M Local Return program occurred. An audit includes examining, on a test basis, evidence about each City's and the County's compliance with the Guidelines and Requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinions on compliance. However, our audits do not provide a legal determination of each City's and the County's compliance with the Guidelines and Requirements.



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### ***Opinion***

In our opinion, the Cities and the County complied, in all material respects, with the Guidelines and Requirements referred to above that could have a direct and material effect on the Measure M Local Return program for the year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guidelines and Requirements and which are described in the accompanying Summary of Measure M Audit Results (Schedule 1) and Schedule of Findings and Questioned Costs (Schedule 2) as Findings #2020-001 through #2020-010. Our opinion is not modified with respect to these matters.

Responses by the Cities to the noncompliance findings identified in our audits are described in the accompanying Schedule 2 - Schedule of Findings and Questioned Costs. The Cities' responses were not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the responses.

### ***Report on Internal Control Over Compliance***

The management of each City and the County is responsible for establishing and maintaining effective internal control over compliance with the Guidelines and Requirements referred to above. In planning and performing our audits of compliance, we considered each City's and the County's internal control over compliance with the Guidelines and Requirements that could have a direct and material effect on the Measure M Local Return program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guidelines and Requirements, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of each City's and the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance under the Guidelines will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the Guidelines that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Cost (Schedule 2) as Finding #2020-010 to be a significant deficiency.



The responses by the Cities to the internal control over compliance findings identified in our audits are described in the accompanying Schedule of Findings and Questioned Costs (Schedule 2). The responses by the Cities were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on internal control over compliance and the results of that testing based on the requirements of the Guidelines and Requirements. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson &amp; Simpson". The signature is written in a cursive, flowing style.

Los Angeles, California  
December 31, 2020

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Compliance Findings  
Fiscal Year Ended June 30, 2020**

The audit of the 49 cities and the County identified in Schedule 1 have resulted in 10 findings. The table below shows a summary of the findings:

<b>Finding</b>	<b># of Findings</b>	<b>Responsible Cities/ Finding Reference</b>	<b>Questioned Costs</b>	<b>Resolved During the Audit</b>
Funds were expended for transportation purposes	1	Glendora (#2020-005)	None	None
Funds were expended with LACMTA's approval	4	Covina (#2020-003) Downey (#2020-004) Pasadena (#2020-007) South Pasadena (#2020-008)	\$ 347,440 45,205 45,000 86,000	\$ 347,440 45,205 45,000 86,000
Expenditure Plan (Form M-One) was submitted on time	4	Alhambra (#2020-001) Hermosa Beach (#2020-006) South Pasadena (#2020-009) Temple City (#2020-0010)	None None None None	None None None None
Expenditure Report (Form M-Two) was submitted on time	1	Artesia (#2020-002)	None	None
<b>Total Findings and Questioned Costs</b>	<b>10</b>		<b>\$ 523,645</b>	<b>\$ 523,645</b>

Details of the findings are in Schedule 2.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020**

<b>Compliance Area Tested</b>	<b>Alhambra</b>	<b>Arcadia</b>	<b>Artesia</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	See Finding #2020-001	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	See Finding #2020-002
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable



**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Avalon</b>	<b>Bellflower</b>	<b>Bradbury</b>
Funds were expended for transportation purposes	Compliant	Compliant	Not Applicable
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Not Applicable
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Not Applicable
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Compliant	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Burbank</b>	<b>Cerritos</b>	<b>Claremont</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Covina</b>	<b>Diamond Bar</b>	<b>Downey</b>
Funds were expended for transportation purposes	Compliant	Compliant	Complaint
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	See Finding #2020-003	Compliant	See Finding #2020-004
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Duarte</b>	<b>El Segundo</b>	<b>Glendale</b>
Funds were expended for transportation purposes	Compliant	Not Applicable	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Glendora</b>	<b>Hawaiian Gardens</b>	<b>Hermosa Beach</b>
Funds were expended for transportation purposes	See Finding #2020-005	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	See Finding #2020-006
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>La Cañada Flintridge</b>	<b>La Habra Heights</b>	<b>La Mirada</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>La Verne</b>	<b>Lakewood</b>	<b>Lancaster</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Lomita</b>	<b>Long Beach</b>	<b>Los Angeles City</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Compliant
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable



**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Los Angeles County</b>	<b>Manhattan Beach</b>	<b>Monrovia</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Norwalk</b>	<b>Palmdale</b>	<b>Palos Verdes Estates</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Paramount</b>	<b>Pasadena</b>	<b>Rancho Palos Verdes</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	See Finding #2020-007	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Summary of Audit Results**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Compliance Area Tested</b>	<b>Redondo Beach</b>	<b>Rolling Hills</b>	<b>Rolling Hills Estates</b>
Funds were expended for transportation purposes	Compliant	Not Applicable	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Not Applicable	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Not Applicable	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>San Dimas</b>	<b>San Gabriel</b>	<b>San Marino</b>
Funds were expended for transportation purposes	Compliant	Compliant	Not Applicable
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Not Applicable
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>Santa Clarita</b>	<b>Sierra Madre</b>	<b>Signal Hill</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant	Not Applicable
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>South Pasadena</b>	<b>Temple City</b>	<b>Torrance</b>
Funds were expended for transportation purposes	Compliant	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant	Compliant
Funds were expended with LACMTA's approval.	See Finding #2020-008	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	See Finding #2020-009	See Finding # 2020-010	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant	Compliant
Timely use of funds	Compliant	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Not Applicable	Not Applicable	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable	Not Applicable

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Summary of Audit Results  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Compliance Area Tested</b>	<b>West Covina</b>	<b>Whittier</b>
Funds were expended for transportation purposes	Compliant	Compliant
Fund were used to augment, not supplant, existing local revenues being used for transportation purposes unless there is a funding shortfall.	Compliant	Compliant
Signed Assurances and Understandings was on file.	Compliant	Compliant
Separate Measure M Local Return Account was established.	Compliant	Compliant
Revenues received including allocations, project generated revenues and interest income was properly credited to the Measure M Local Return Account.	Compliant	Compliant
Funds were expended with LACMTA's approval.	Compliant	Compliant
Expenditure Plan (Form M - One) was submitted timely.	Compliant	Compliant
Expenditure Report (Form M - Two) was submitted timely.	Compliant	Compliant
Timely use of funds	Compliant	Compliant
Administrative expenditures are within the 20% cap.	Compliant	Not Applicable
Fund exchanges were approved by LACMTA.	Not Applicable	Not Applicable
A separate account was established for Capital reserve funds and Capital reserve was approved by LACMTA.	Not Applicable	Not Applicable
Recreational transit form was submitted timely.	Not Applicable	Not Applicable



**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020**

<b>Finding #2020-001</b>	<b>City of Alhambra</b>
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Administrative: Reporting Requirements – Expenditure Plan (Form M-One), “To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1 of each year.”
Condition	The City did not meet the August 1, 2019 deadline for submission of Form M-One. However, the City submitted the Form M-One on June 30, 2020.
Cause	The submission of Form M-One was not completed in a timely manner due to the staff turnover. At the time of the submission deadline, the City was transitioning to a new Public Works Director after the retirement of the previous director.
Effect	The City's Form M-One was not submitted timely as required by the Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish procedures to ensure that the Form M-One (Expenditure Plan) is properly prepared and submitted before the due date of August 1st so that the City's expenditures of Measure M Local Return Funds will be in accordance with LACMTA's approval and the guidelines. Furthermore, we recommend that the City retain a confirmation of receipt by LACMTA to indicate the form was submitted in a timely manner.
Management’s Response	The City has established and documented a clear workflow for the timely submission and tracking of the funds. The Management Analyst will be responsible for tracking and inputting the figures in the Local Return Database, with the appropriate back-up and financial data provided by the Accounting Manager.
Finding Corrected During the Audit	The City subsequently submitted the Form M-One on June 30, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-002</b>	<b>City of Artesia</b>
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV, Administrative, "The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-Two, to LACMTA annually, by October 15th (following the conclusion of the fiscal year)."
Condition	The City did not meet the October 15, 2020 deadline for submission of Expenditure Report (Form M-Two) to LACMTA. The City subsequently submitted the Form M-Two on December 23, 2020.
Cause	It was due to an oversight by the City's finance department.
Effect	The City's Form M-Two was not submitted timely as required by Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish procedures to ensure that the Form M-Two is properly prepared and submitted before the due date of October 15th in accordance with Measure M Local Return Guidelines. Furthermore, we recommend that the City retain a confirmation of receipt by LACMTA to indicate the form was submitted in a timely manner.
Management's Response	The City's Finance department has lost several key employees during FY2020. The new management team was unaware of compliance requirements of Local Return Funds.
Finding Corrected During the Audit	The City subsequently submitted the Form M-Two on December 23, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-003</b>	<b>City of Covina</b>
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines: Verification that funds were expended with LACMTA’s approval. Jurisdiction will be required to reimburse its Local Return account.”
Condition	The City incurred expenditures prior to receiving approval from LACMTA for MMLRF’s Project Code 1.05 Total Road Improvement Program (TRIP) - Phase III Project in the amount of \$347,440. However, the project was subsequently approved on October 8, 2020 of a budget amount of \$510,000.
Cause	The TRIP project was approved by LACMTA in 2017. Phases I and II were completed and Phase III of the construction started in 2020. The MMLRF funds were used to fund a portion of the Phase III costs. The project was managed by a new City Engineer staff who was unfamiliar with the project funding of the expenditures. As a result, the City failed to receive LACMTA’s approval prior to the commencement of the project’s construction.
Effect	The City did not comply with the Guidelines and expenditures for the MMLRF project were incurred before LACMTA’s approval.
Recommendation	We recommend that the City establish procedures to ensure that it obtains approval from LACMTA prior to implementing any Measure M Local Return projects. Form M-One (Expenditure Plan) should be properly prepared and submitted before the due date of August 1st so that the City’s expenditures of Measure M Local Return Funds are in accordance with LACMTA’s approval and the Guidelines.
Management’s Response	The City’s department assigned to the submission of the form will implement internal checklist and will be reviewed by management in a timely fashion.
Finding Corrected During the Audit	LACMTA Program Manager granted retroactive approval of the said project on October 8, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-004</b>	<b>City of Downey</b>
Compliance Reference	According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines: Verification that funds were expended with LACMTA’s approval.”
Condition	The City incurred expenditures prior to receiving approval from LACMTA for the MMLRF’s Project Code 5.10, Graffiti Truck, in the amount of \$45,205. However, the project was subsequently approved on October 13, 2020.
Cause	In fiscal year 2018-19, the Graffiti Truck project was approved by LACMTA and the truck was delivered to the City. However, add-on cabinets were installed in early July 2019 and the request for the budget approval from LACMTA for this project was overlooked in fiscal year 2019-20.
Effect	The City did not comply with the Guidelines as expenditures for the MMLRF project were incurred prior to LACMTA’s approval.
Recommendation	We recommend that the City strengthen its controls to ensure that approvals are obtained from LACMTA prior to implementing any Measure M Local Return projects. Form M-One (Expenditure Plan) is properly prepared and submitted before the due date of August 1st in accordance with Guidelines. The City should also include all approved ongoing and carryover Local Return projects in Form M-One.
Management’s Response	The City’s management agrees with the finding. In the future, the City will review all MMLRF projects prior to the fiscal year end and ensure that each project has the appropriate LACMTA-approved budget.
Finding Corrected During the Audit	LACMTA Program Manager granted retroactive budget approval of the said project on October 13, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-005</b>	<b>City of Glendora</b>
Compliance Requirement	The Measure M Local Return Guidelines, Section XXV: Program Objective, states, “The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes.” and Audit Requirements, “It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation...”
Condition	<p>During our payroll testing, the City provided both the timesheets and the Special Funding Time Certification (Certification), a supplemental form for the timesheet that is signed by both the employee and the employee’s supervisor. The Certification is prepared annually and provides the hours worked by the employee on MMLRF projects for all payroll periods during the fiscal year 2019-20.</p> <p>The pay periods tested were as follows:</p> <ul style="list-style-type: none"> <li>a) March 22, 2020</li> <li>b) April 19, 2020</li> <li>c) May 17, 2020</li> <li>d) June 14, 2020</li> </ul> <p>We noted that the Certifications sampled were signed and dated by the employees and supervisors after the year-end, October, November, and December 2020, which were four to seven months after the fact.</p>
Cause	The City was not aware that the Certification needs to be prepared and reviewed near the end of the period covered. As a result, the Certifications were untimely signed by both employees and supervisors.
Effect	Without employees and supervisors signing the timecards/certifications, the City may be unable to substantiate the actual hours worked by the employees that were charged to the programs. Inadequate support for salaries could result in disallowed costs.
Recommendation	We recommend the City strengthen controls over payroll so that all employees and supervisors prepare, review, sign, and date the Certifications at minimum, on a monthly basis, to ensure the accuracy of hours worked on the local return funds’ projects.
Management’s Response	The City will re-evaluate the preparation process of the Certifications to ensure that the forms are signed and dated by the employees and supervisors within a reasonable period of time.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-006</b>	<b>City of Hermosa Beach</b>
Compliance Requirement	According to Measure M Local Return Guidelines, Section XXV Administrative: Reporting Requirements - Expenditure Plan (Form M-One), "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1 of each year."
Condition	The City did not meet the August 1, 2019 deadline for submission of the Form M-One. However, the City submitted the Form M-One on June 25, 2020.
Cause	It was due to employee turnover. The staff who was responsible for submission of budget forms was unexpectedly out on leave and as a result, the submission of the budget form was overlooked.
Effect	The City did not comply with the Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish procedures to ensure that the Form M-One (Expenditure Plan) is properly prepared and submitted before the due date of August 1st so that the City's expenditures of Measure M Local Return Funds will be in accordance with LACMTA's approval and the guidelines. Furthermore, we recommend the City retain a confirmation of receipt by LACMTA to indicate the form was submitted in a timely manner.
Management's Response	The employee who was responsible for submission of the budget forms was suddenly out on leave for an extended period of time and the rest of the staff was unaware of that the budget forms had not been submitted. Going forward, the City will ensure approvals of expenditures are received from LACMTA prior to expending funds as well as the timely filing of all required forms.
Findings Corrected During the Audit	The City subsequently submitted the Form M-One on June 25, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-007</b>	<b>City of Pasadena</b>
Compliance Requirement	According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of these guidelines: Verification that funds were expended with LACMTA’s approval.”
Condition	During FY 2019-20, the City used Measure M Local Return funds for the Project 2.01- Rose Bowl Access Systems in the amount of \$45,000 prior to LACMTA’s approval as the project was not reported on the Expenditure Plan (Form M-One).
Cause	The City did not submit an accurate and complete Form M-One with a listing of projects to LACMTA due to an oversight.
Effect	The City was not in compliance with the Measure M Local Return Guidelines.
Recommendation	We recommend that the City strengthen its internal control procedures by obtaining prior approval from LACMTA for all projects that are funded by Measure M Local Return Funds before incurring expenditures.
Management’s Response	The City did not submit the Form M-One to LACMTA on time with the updated information due to the staff turnover. The Department of Transportation will submit the Form M-One timely in the future.
Findings Corrected During the Audit	The City’s Form M-One was submitted and retroactively approved by LACMTA on October 15, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-008</b>	<b>City of South Pasadena</b>
Compliance Requirement	According to Measure M Local Return Guidelines, Section XXV Administrative, Form Submission Timeline, “New, amended, ongoing and carryover projects must file an Expenditure Plan Form M-One by August 1st. In addition, the Audit Requirements, Financial and Compliance Provisions of the section states, “The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines: Verification that funds were expended with LACMTA’s approval.”
Condition	The City incurred expenditures prior to receiving approval from LACMTA for MMLRF’s Project Code 1.05 Diamond Avenue in the amount of \$86,000. However, the City subsequently received an approved budget amount of \$86,000 from LACMTA for the MMLRF project on October 13, 2020.
Cause	Due to miscommunication, the City’s Public Works Department incurred expenditures on the project assuming that the approval for the project was submitted and approved by LACMTA. However, the staff who was responsible for submitting and receiving the project’s budget approval from LACMTA was out of the office for an extended period of time. As a result, the approval for the project was not received by the City in a timely manner.
Effect	The City did not comply with the Guidelines and expenditures for the MMLRF project were incurred before LACMTA’s approval.
Recommendation	We recommend that the City establish procedures to ensure that it obtains approval from LACMTA prior to implementing any Measure M Local Return projects. Form M-One (Expenditure Plan) should be properly prepared and submitted before the due date of August 1st so that the City’s expenditures of Measure M Local Return Funds are in accordance with LACMTA’s approval and the Guidelines.
Management’s Response	The City will provide proper training and ensure better communication with various departments to prevent expenditures from occurring for any projects prior to receiving approval from LACMTA.
Findings Corrected During the Audit	LACMTA Program Manager granted retroactive approval of the said project on October 13, 2020. No follow-up is required.



**Los Angeles County Metropolitan Transportation Authority**  
**Measure M Local Return Fund**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2020**  
**(Continued)**

<b>Finding #2020-009</b>	<b>City of South Pasadena</b>
Compliance Requirement	According to Measure M Local Return Guidelines, Section XXV Administrative: Reporting Requirements - Expenditure Plan (Form M-One), "To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1 of each year."
Condition	The City did not meet the August 1, 2019 deadline for submission of Form M-One. However, the City submitted the Form M-One on October 13, 2020.
Cause	The staff responsible for the submission of the form was out of the office for an extended period of time. As a result, the submission of the form was overlooked.
Effect	The City's Form M-One was not submitted timely as required by the Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish procedures to ensure the Form M-One (Expenditure Plan) is properly prepared and submitted before the due date of August 1st so that the City's expenditures of Measure M Local Return Funds will be in accordance with LACMTA's approval and the guidelines. Furthermore, we recommend that the City retain a confirmation of receipt by LACMTA to indicate the form was submitted in a timely manner.
Management's Response	The City will provide proper training to handle the submission of form to several staff in case the staff who is primarily responsible for the submission of the form is unavailable.
Findings Corrected During the Audit	The City subsequently submitted the Form M-One on October 13, 2020. No follow-up is required.

**Los Angeles County Metropolitan Transportation Authority  
Measure M Local Return Fund  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2020  
(Continued)**

<b>Finding #2020-010</b>	<b>City of Temple City</b>
Compliance Requirement	According to Measure M Local Return Guidelines, Reporting Requirements Section XXV, Expenditure Plan (Form M-One), “To maintain legal eligibility and meet Measure M LR Program compliance requirements, Jurisdictions shall submit to LACMTA an Expenditure Plan (Form M-One), annually, by August 1 of each year.”
Condition	The City did not meet the August 1, 2019 deadline for submission of Form M-One. However, the City submitted the Form M-One on August 16, 2019.  This is a repeat finding from the prior fiscal year.
Cause	The former Director of Parks and Recreation who was responsible for the submission of the reports has since retired from the City. As a result, the submission of the form was overlooked.
Effect	Because the City’s Form M-One was not submitted timely, the City did not comply with the Measure M Local Return Guidelines.
Recommendation	We recommend that the City establish procedures to ensure that the Form M-One is properly prepared and submitted before the due date of August 1st so that the City’s expenditures of the Measure M Local Return Funds will be in accordance with LACMTA’s approval and the Guidelines. Furthermore, we recommend the City retain a confirmation of receipt by LACMTA to indicate the form was submitted in a timely manner.
Management’s Response	The new Director of Parks and Recreation has now taken charge to ensure the necessary forms are submitted by the reporting deadlines.
Findings Corrected During the Audit	The City subsequently submitted the Form M-One on August 16, 2019. No follow-up is required.



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

## Board Report

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**File #:** 2020-0937, **File Type:** Oral Report / Presentation

**Agenda Number:** 4.

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**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE  
MARCH 3, 2021**

**SUBJECT:** Oral Report on Budget

**ACTION:** ORAL REPORT

**RECOMMENDATION**

RECEIVE Oral Report on Budget

# Los Angeles County Transit Operations

## Select Operating Statistics

Bus/Light Rail/Heavy Rail

Measure M Taxpayer Oversight Committee

March 2021



**Metro**

*Excellence in Service and Support*

# Measuring Transit Operations

## Objective:

Create a baseline comparison of Los Angeles County Transit Operators, using National Transit Database (NTD) information, to identify and benchmark:

- Costs of Operations
- Service Delivery
- Statistical Measures of Cost and Service Efficiencies

# Measuring Transit Operations

## Modes of Operation include:

- Motorbus, Commuter Bus, Bus Rapid Transit = Bus Operations
- Light Rail
- Heavy Rail

## Variables of Review include:

- Total Operating Costs per mode
- Service levels including Revenue Miles and Revenue Hours
- Unlink Passenger Trips and Passenger Miles
- Fare Revenues

To ensure consistency, NTD reported data serves as the basis for all measurements using FY19 (most recently available)

# Measuring Transit Operations

## Bus Operations:

16 Operators in Los Angeles County\* provided services in FY19 that included:

- \$1,824.1M in Annual Operating Costs
- 11.1M Revenue Service Hours
- 366.9M Passenger Trips at an average cost of \$6.76 per trip

Cost per revenue hour vary significantly across operators from \$80 per hour up to \$205 with a countywide average of \$131 per revenue service hour.

Average Farebox Recovery across the County was 14.5% across all operators.

Metro Bus Operations is responsible for 74.6% of reported Bus Transit Trips



\*Excludes Reduced Reporters included in FAP

# Measuring Transit Operations

## Light Rail Operations:

Of 22 Light Rail Operators nationwide LA Metro is the largest in the United States.

## Metro Light Rail:

- \$446.4M in Annual Operating Costs
- 886.5K Revenue Service Hours
- 59.7M Passenger Trips at an average cost of \$7.48 per trip

Average Farebox Recovery across the nation was 21% and Metro Light Rail is equal to 10%

Metro Light Rail Operations are responsible for 12.7% of reported Los Angeles County Transit Trips





# Measuring Transit Operations

## Heavy Rail Operations:

Of 14 Heavy Rail Operators nationwide LA Metro ranks 9<sup>th</sup> based on the number of passengers carried.

## Metro Heavy Rail:

- \$168.4M in Annual Operating Costs
- 313.7K Revenue Service Hours
- 43.1M Passenger Trips at an average cost of \$3.94 per trip with the 2<sup>nd</sup> highest number of Trips per Revenue Service Hour.

Average Farebox Recovery across the nation was 43% and Metro Heavy Rail is equal to 19% - the highest performer of Metro Transit Operations

Metro Heavy Rail Operations are responsible for 9.2% of reported Los Angeles County Transit Trips



# Next Steps

- Work with the Committee to identify additional benchmark data to fulfill Measure M Ordinance Oversight responsibilities
- Provide annually updated benchmark information.

**Table 1  
Transit Operators in Los Angeles County - Select FY19 Operating Data**

<b>Agency</b>	<b>Operating Expenses</b>	<b>Vehicle Service Miles</b>	<b>Vehicle Service Hours</b>	<b>Passenger Miles</b>	<b>Unlinked Passenger Trips</b>	<b>Fares</b>
Antelope Valley Transit Authority	\$ 22,913,794	3,245,087	185,588	30,178,482	2,301,868	\$ 4,706,264
City of Commerce	3,735,370	376,920	33,907	2,018,221	445,353	-
City of Culver City	23,608,735	1,656,768	169,841	14,813,937	4,600,876	2,908,934
City of Gardena	22,418,033	1,691,303	136,619	11,124,485	2,920,856	2,235,072
City of Glendale	7,131,483	718,727	80,326	3,096,640	1,411,254	833,072
City of Los Angeles	82,288,130	6,993,254	704,291	58,218,649	19,030,179	10,591,005
City of Montebello	27,919,966	2,357,424	235,654	20,986,160	5,258,035	3,934,508
City of Norwalk	12,674,086	1,054,992	95,026	5,994,510	1,427,804	1,246,966
City of Pasadena	5,678,993	726,888	70,816	2,611,781	1,489,376	687,525
City of Redondo Beach	3,247,070	386,315	33,948	1,272,305	353,418	316,054
City of Santa Clarita	20,144,899	2,919,922	170,493	19,637,637	2,565,484	3,159,143
City of Santa Monica	81,169,730	4,978,667	440,431	45,792,187	12,536,069	11,413,768
City of Torrance	34,298,864	2,096,764	167,395	18,061,888	3,595,705	2,432,212
Foothill Transit	95,928,313	12,343,588	858,500	106,192,124	12,053,307	16,079,596
Long Beach Transit	92,540,008	7,063,385	725,349	75,502,172	23,210,032	13,790,289
<b>LA Metro (Bus Operations)</b>	<b>\$ 1,288,440,283</b>	<b>73,091,103</b>	<b>6,948,117</b>	<b>1,149,053,457</b>	<b>273,747,759</b>	<b>\$ 190,876,135</b>
<b>LA Metro (Light Rail)</b>	<b>\$ 446,268,668</b>	<b>17,757,242</b>	<b>866,517</b>	<b>462,756,222</b>	<b>59,655,365</b>	<b>\$ 42,986,478</b>
<b>LA Metro (Heavy Rail)</b>	<b>\$ 168,453,369</b>	<b>6,874,200</b>	<b>313,697</b>	<b>207,664,947</b>	<b>43,074,277</b>	<b>\$ 31,426,577</b>

**Table 2**  
**Selected Measures of Service Efficiencies - Bus Operations**

Agency	Efficiency of the Costs of Service				Effectiveness of Service Provided									
	Oper Exp per Veh Rev Mile	Rank	Oper Exp per Veh Rev Hour	Rank	Oper Exp per Psngr Mile	Rank	Oper Exp per Trip	Rank	Trips per Veh Rev Mile	Rank	Trips per Veh Rev Hour	Rank	Farebox Recovery	Rank
City of Santa Clarita	\$ 6.90	1	\$ 118.16	7	\$ 1.03	3	\$ 7.85	9	0.88	14	15.05	10	16%	3
Antelope Valley Transit Authority	7.06	2	123.47	9	0.76	1	9.95	15	0.71	15	12.40	14	21%	1
Foothill Transit	7.77	3	111.74	5	0.90	2	7.96	10	0.98	12	14.04	12	17%	2
City of Pasadena	7.81	4	80.19	1	2.17	13	3.81	1	2.05	6	21.03	8	12%	9
City of Redondo Beach	8.41	5	95.65	3	2.55	15	9.19	13	0.91	13	10.41	15	10%	13
City of Commerce	9.91	6	110.17	4	1.85	9	8.39	11	1.18	11	13.13	13	0%	15
City of Glendale	9.92	7	88.78	2	2.30	14	5.05	4	1.96	7	17.57	9	12%	10
City of Los Angeles	11.77	8	116.84	6	1.41	6	4.32	3	2.72	3	27.02	4	13%	7
City of Montebello	11.84	9	118.48	8	1.33	5	5.31	6	2.23	5	22.31	5	14%	5
City of Norwalk	12.01	10	133.37	11	2.11	12	8.88	12	1.35	10	15.03	11	10%	12
Long Beach Transit	13.10	11	127.58	10	1.23	4	3.99	2	3.29	1	32.00	1	15%	4
City of Gardena	13.25	12	164.09	13	2.02	11	7.68	8	1.73	8	21.38	7	10%	11
City of Culver City	14.25	13	139.00	12	1.59	7	5.13	5	2.78	2	27.09	3	12%	8
City of Santa Monica	16.30	14	184.30	14	1.77	8	6.47	7	2.52	4	28.46	2	14%	6
City of Torrance	16.36	15	204.90	15	1.90	10	9.54	14	1.71	9	21.48	6	7%	14
<b>Average</b>	\$ 11.11		\$ 127.78		\$ 1.66		\$ 6.90		\$ 1.80		\$ 19.89		12%	
<b>LA Metro (Bus Operations)</b>	<b>17.63</b>		<b>185.44</b>		<b>1.12</b>		<b>4.71</b>		<b>3.75</b>		<b>39.40</b>		<b>15%</b>	
<b>Top 5 (Excl LA Metro)</b>	<b>18.75</b>		<b>178.51</b>		<b>1.49</b>		<b>4.29</b>		<b>4.37</b>		<b>41.60</b>		<b>31%</b>	

**Table 3**  
**Light Rail Transit Operators - Select FY19 Operating Data**

Agency	Operating Expenses	Vehicle Service Miles	Vehicle Service Hours	Passenger Miles	Unlinked Passenger Trips	Fares
<b>LA Metro</b>	<b>\$ 446,368,668</b>	<b>17,757,242</b>	<b>866,517</b>	<b>462,756,222</b>	<b>59,655,365</b>	<b>\$ 42,986,478</b>
City and County of San Francisco	\$ 210,499,148	5,565,605	587,846	136,469,594	49,795,740	\$ 39,254,151
Dallas Area Rapid Transit	194,102,627	10,303,973	499,670	227,090,304	28,335,785	23,346,804
Massachusetts Bay Transportation Authority	192,376,108	5,698,854	658,603	137,719,112	56,975,564	81,704,871
Tri-County Metropolitan Transportation District of Oregon	166,170,441	9,047,431	636,340	207,967,836	38,867,576	45,634,079
Denver Regional Transportation District	134,501,571	14,053,945	797,784	178,266,835	24,585,300	38,362,200
Central Puget Sound Regional Transit Authority	131,216,111	5,410,211	265,566	163,463,700	24,761,684	43,602,193
Santa Clara Valley Transportation Authority	127,886,958	3,539,847	223,054	49,376,217	8,437,926	8,872,457
New Jersey Transit Corporation	124,151,040	2,613,657	178,513	73,704,102	21,550,401	20,886,057
San Diego Metropolitan Transit System	86,423,252	8,820,704	487,132	219,453,215	37,293,757	42,005,525
Bi-State Development Agency of the Missouri-Illinois Metropolitan District	85,552,894	6,113,628	260,968	89,068,641	13,150,909	13,845,771
Metropolitan Transit Authority of Harris County, Texas	83,097,579	3,482,906	291,188	52,243,069	18,556,589	4,774,238
Metro Transit	76,787,096	5,254,481	422,812	100,499,405	25,299,442	27,240,856
Sacramento Regional Transit District	76,359,832	4,343,974	243,241	63,439,869	9,980,850	12,035,431
Utah Transit Authority	71,152,656	6,569,208	365,639	83,098,538	17,128,008	17,630,129
Port Authority of Allegheny County	71,102,939	2,177,387	168,173	28,888,028	7,162,790	7,777,491
Valley Metro Rail, Inc.	48,417,272	3,351,956	219,134	108,918,663	15,084,312	11,071,504
Maryland Transit Administration	47,917,891	3,019,591	154,918	39,816,955	6,966,072	6,146,500
City of Charlotte North Carolina	35,607,528	2,308,145	141,176	45,024,652	8,006,852	7,643,956
Niagara Frontier Transportation Authority	26,660,853	921,826	81,581	11,971,472	4,485,084	4,955,205
The Greater Cleveland Regional Transit Authority	14,906,274	678,107	48,204	8,974,467	1,484,863	2,549,863
Transportation District Commission of Hampton Roads	11,662,495	385,469	29,388	4,798,117	1,428,956	1,581,495

**Table 4**  
**Heavy Rail Transit Operators - Select FY19 Operating Data**

Agency	Operating Expenses	Vehicle Service Miles	Vehicle Service Hours	Passenger Miles	Unlinked Passenger Trips	Fares
<b>LA Metro</b>	<b>\$ 168,453,369</b>	<b>6,874,200</b>	<b>313,697</b>	<b>207,664,947</b>	<b>43,074,277</b>	<b>\$ 31,426,577</b>
MTA New York City Transit	\$ 5,206,727,193	354,616,371	19,430,373	10,462,782,577	2,712,521,697	\$ 3,643,213,720
Washington Metropolitan Area Transit Authority	1,112,675,403	85,106,645	3,667,616	1,313,511,151	228,974,810	533,518,013
San Francisco Bay Area Rapid Transit District	651,029,953	77,986,155	2,225,056	1,756,364,558	125,105,460	469,865,645
Chicago Transit Authority	623,416,178	73,574,040	4,065,132	1,378,128,437	218,467,141	309,516,440
Port Authority Trans-Hudson Corporation	457,515,883	13,319,661	979,645	447,020,668	90,275,181	197,809,403
Massachusetts Bay Transportation Authority	304,267,766	23,062,016	1,524,626	572,046,325	160,351,814	224,415,154
Metropolitan Atlanta Rapid Transit Authority	206,202,856	22,511,413	845,478	450,023,139	65,217,325	77,048,839
Southeastern Pennsylvania Transportation Authority	200,486,444	17,078,643	933,376	399,537,395	90,754,189	113,235,243
County of Miami-Dade	94,181,839	7,957,230	359,148	136,546,053	18,494,501	15,739,393
Maryland Transit Administration	77,925,584	4,380,269	171,181	32,470,539	7,275,335	10,449,300
Port Authority Transit Corporation	58,223,846	4,943,154	159,090	99,332,879	11,107,474	27,243,638
Staten Island Rapid Transit Operating Authority	57,623,801	2,545,007	170,424	48,222,657	7,731,849	8,485,089
The Greater Cleveland Regional Transit Authority	45,434,279	2,488,976	132,297	36,529,680	5,666,706	7,377,403

**Table 5**  
**Selected Measures of Service Efficiencies - Light Rail**

Agency	Efficiency of the Costs of Service				Effectiveness of Service Provided									
	Oper Exp per Veh Rev Mile		Oper Exp per Veh Rev Hour		Oper Exp per Psngr Mile		Oper Exp per Trip		Trips per Veh Rev Mile		Trips per Veh Rev Hour		Farebox Recovery	
		Rank		Rank		Rank		Rank		Rank		Rank		Rank
<b>LA Metro</b>	\$ 25.14	15	\$ 515.13	20	\$ 0.96	11	\$ 7.48	17	3.36	13	68.85	6	10%	20
Denver Regional Transportation District	37.82	1	358.09	1	1.54	3	4.23	11	8.95	2	84.71	4	19%	10
San Diego Metropolitan Transit System	18.84	2	388.46	2	0.85	1	6.85	1	2.75	15	56.71	12	12%	18
Utah Transit Authority	33.76	3	292.10	4	1.40	9	3.38	5	10.00	1	86.51	3	42%	2
Bi-State Development Agency of the Missouri-Illinois Metropolitan District	18.37	4	261.13	14	0.80	10	4.28	14	4.30	9	61.08	9	27%	6
Valley Metro Rail, Inc.	9.57	5	168.59	5	0.75	2	5.47	3	1.75	22	30.82	21	29%	5
Metro Transit	24.25	6	494.10	3	0.80	4	5.30	2	4.58	7	93.24	2	33%	4
City of Charlotte North Carolina	36.13	7	573.35	6	2.59	5	15.16	8	2.38	17	37.83	20	7%	21
Maryland Transit Administration	47.50	8	695.47	11	1.68	12	5.76	16	8.25	3	120.72	1	17%	13
Sacramento Regional Transit District	9.80	9	177.41	12	0.39	13	2.32	18	4.23	10	76.56	5	49%	1
Tri-County Metropolitan Transportation District of Oregon	13.99	10	327.83	7	0.96	6	6.51	7	2.15	21	50.39	14	16%	14
Dallas Area Rapid Transit	23.86	11	285.37	16	1.59	8	4.48	15	5.33	4	63.73	8	6%	22
The Greater Cleveland Regional Transit Authority	14.61	12	181.61	10	0.76	17	3.04	21	4.81	6	59.84	10	35%	3
Metropolitan Transit Authority of Harris County, Texas	17.58	13	313.93	8	1.20	16	7.65	9	2.30	19	41.03	19	16%	15
Central Puget Sound Regional Transit Authority	10.83	14	194.60	19	0.86	7	4.15	10	2.61	16	46.84	16	25%	7
Niagara Frontier Transportation Authority	32.66	16	422.80	13	2.46	19	9.93	13	3.29	14	42.59	18	11%	19
Transportation District Commission of Hampton Roads	14.44	17	220.95	17	0.44	20	3.21	19	4.50	8	68.84	7	23%	8
Port Authority of Allegheny County	15.87	18	309.31	18	1.20	21	6.88	20	2.31	18	44.97	17	13%	17
Massachusetts Bay Transportation Authority	15.43	19	252.22	9	0.79	14	4.45	4	3.47	12	56.72	11	21%	9
Santa Clara Valley Transportation Authority	28.92	20	326.80	21	2.23	22	5.94	22	4.87	5	54.98	13	19%	11
City and County of San Francisco	21.98	21	309.23	15	1.66	15	10.04	6	2.19	20	30.80	22	17%	12
New Jersey Transit Corporation	30.26	22	396.85	22	2.43	18	8.16	12	3.71	11	48.62	15	14%	16
Average Excluding LA Metro	\$ 22.69		\$ 330.96		\$ 1.31		\$ 6.06		4.22		59.88		21%	

**Table 6**  
**Selected Measures of Service Efficiencies - Heavy Rail**

Agency	Efficiency of the Costs of Service				Effectiveness of Service Provided										
	Oper Exp per Veh Rev Mile		Oper Exp per Veh Rev Hour		Oper Exp per Psngr Mile		Oper Exp per Trip		Trips per Veh Rev Mile		Trips per Veh Rev Hour		Farebox Recovery		
		Rank		Rank		Rank		Rank		Rank		Rank		Rank	
<b>LA Metro</b>	\$ 24.51	13	\$ 536.99	14	\$ 0.81	9	\$ 3.91	6	6.27	4	137.31	2	19%	10	
San Francisco Bay Area Rapid Transit District	14.68	1	267.97	7	0.50	1	1.92	10	7.65	1	139.60	1	70%	3	
Chicago Transit Authority	13.07	2	303.38	1	0.85	2	4.86	4	2.69	9	62.43	8	48%	6	
Metropolitan Atlanta Rapid Transit Authority	8.35	3	292.59	4	0.37	3	5.20	5	1.60	14	56.23	9	72%	2	
Southeastern Pennsylvania Transportation Authority	8.47	4	153.36	3	0.45	5	2.85	3	2.97	7	53.74	10	50%	5	
Port Authority Transit Corporation	34.35	5	467.02	11	1.02	7	5.07	11	6.78	3	92.15	5	43%	8	
County of Miami-Dade	13.19	6	199.57	5	0.53	8	1.90	9	6.95	2	105.17	3	74%	1	
Washington Metropolitan Area Transit Authority	9.16	7	243.89	8	0.46	10	3.16	7	2.90	8	77.14	6	37%	9	
Massachusetts Bay Transportation Authority	11.74	8	214.80	2	0.50	6	2.21	1	5.31	5	97.23	4	56%	4	
MTA New York City Transit	11.84	9	262.24	6	0.69	4	5.09	2	2.32	10	51.50	11	17%	11	
Maryland Transit Administration	17.79	10	455.22	12	2.40	14	10.71	14	1.66	13	42.50	14	13%	14	
The Greater Cleveland Regional Transit Authority	11.78	11	365.98	10	0.59	13	5.24	13	2.25	12	69.82	7	47%	7	
Staten Island Rapid Transit Operating Authority	22.64	12	338.12	9	1.19	12	7.45	12	3.04	6	45.37	12	15%	13	
Port Authority Trans-Hudson Corporation	18.25	14	343.43	13	1.24	11	8.02	8	2.28	11	42.83	13	16%	12	
Average Excluding LA Metro	\$ 15.02		\$ 300.58		\$ 0.83		\$ 4.90		3.72		71.98		43%		



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Metropolitan Transportation  
Authority  
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3rd Floor Board Room  
Los Angeles, CA

## Board Report

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**File #:** 2020-0938, **File Type:** Oral Report / Presentation

**Agenda Number:** 5.

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**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE  
MARCH 3, 2021**

**SUBJECT:** Oral Report on Local Return

**ACTION:** ORAL REPORT

**RECOMMENDATION**

RECEIVE Oral Report on Local Return



# Measure M Local Return

July 2020 update



Susan Richan and Chelsea Meister,  
Local Programming



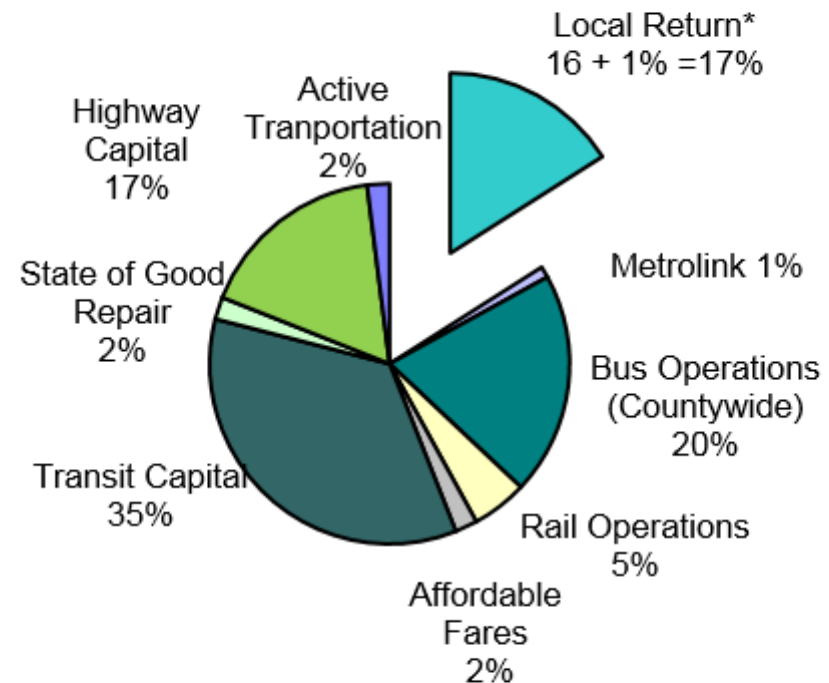
# Local Return (LR) – Measure M

- Measure M (approved in 2016 – funding started FY18)
  - 17% LR share (16% share plus 1% of the 1.5% off the top)
- Requires Assurances and Understanding agreement

- Jurisdictions are audited annually for compliance to **Measure M**  
Data from the LRMS  
(Formerly on the Form M-One and Form M-Two)

Due dates are the same for all LR:  
August 1 (budget) and  
October 15th (expenditures)

## MEASURE M



\*Local Return receives 1% from the 1.5% of the "off the top" Administration



# Local Return Managements System (LRMS) Dashboard



Reporting Fiscal Year  
**2020**

## City of Beverly Hills Local Returns Dashboard

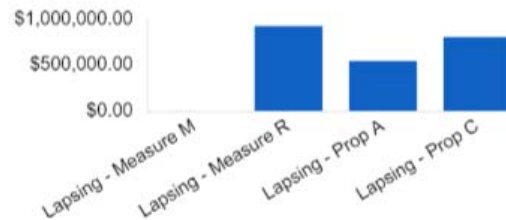
Martha Eros  
3102852542  
meros@beverlyhills.org

### # of Budget Requests



● Total Approved Projects - MM  
● Total Approved Projects - MR

### Lapsing Report



### Budget Requests by Fund Source



### Data Intake Section

[Budget Requests - Measure M](#)

[Budget Requests - Measure R](#)

[Budget Requests - Prop A](#)

[Budget Requests - Prop C](#)

[📄 Enter Budget Requests](#)

[📄 Actuals - \(Measure M\)](#)

[📄 Actuals - \(Measure R\)](#)

[📄 Actuals - \(Prop A\)](#)

[📄 Actuals - \(Prop C\)](#)

### Reports Section

[📄 Budget Report for Dashboard](#)

[📄 Lapsing Report - Beverly Hills](#)

[📄 City of Beverly Hills- TDA3](#)

[📄 8/1/2021 - Project Status Update](#)

# LRMS – Details

- Phase 1 of LRMS rollout has been completed
- The LRMS went live on September 1<sup>st</sup> 2020 and responses from cities have been overwhelmingly positive
- Cities entered their “Project Status Update” and “Actuals” forms in the LRMS for the FY20 Audit
- Cities continue to enter their budget requests and TDA3 claims for FY21
- Many enhancements and improvements are coming within the next year

# LRMS – Future Enhancements coming

- Capital Reserve compatibility and enhancement
  - Currently capital reserves function like old any other projects
- Audit section
  - Cities and staff can view audit findings in one clean and cohesive place
  - Auditors will eventually be given viewer-only access to the LRMS
- Revenue Summary Form (taken and improved from Measure M Form 2)
- Date Tracking for Actuals & 8/1 Reporting of Budget carry over
- Improvements to PowerBI reporting tool

# FY21 Measure M Project Budget Breakdown – LRMS

**Approved Budget 2021**

**\$365,424.33K**

**Total No of Projects in 2021**

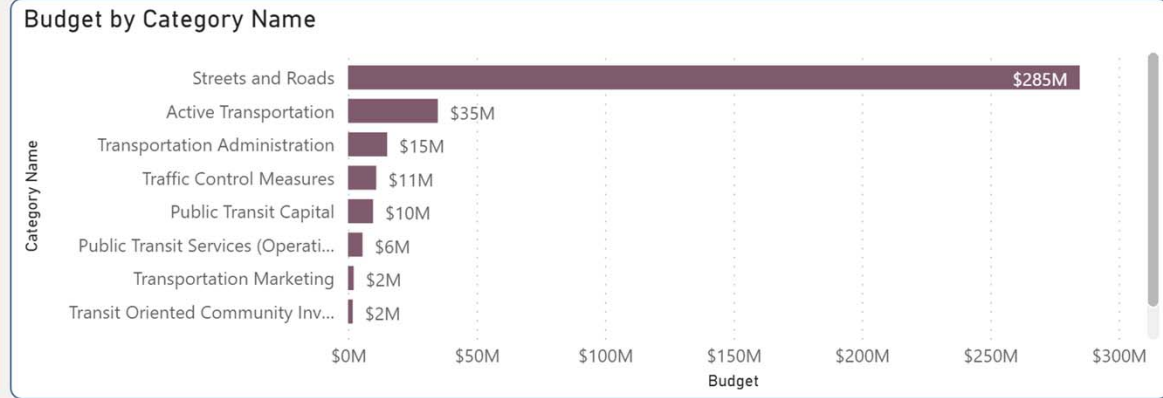
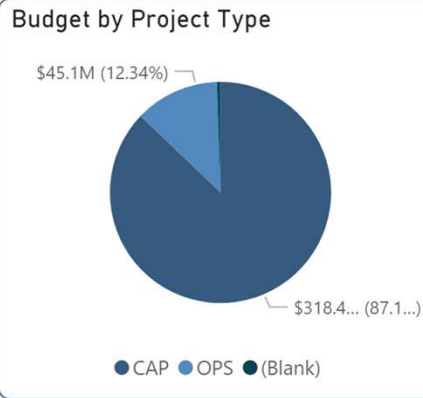
**0.55K**

Fiscal Year  
2021

Category Name  
All

Sub-Category  
All

Project Type  
All

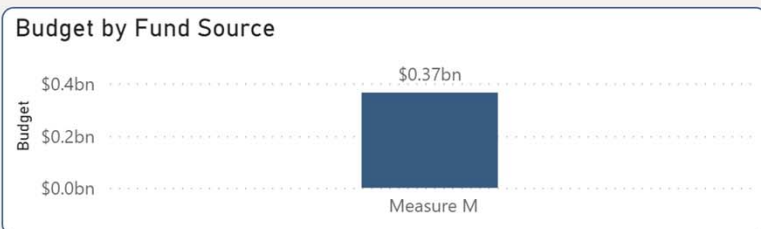
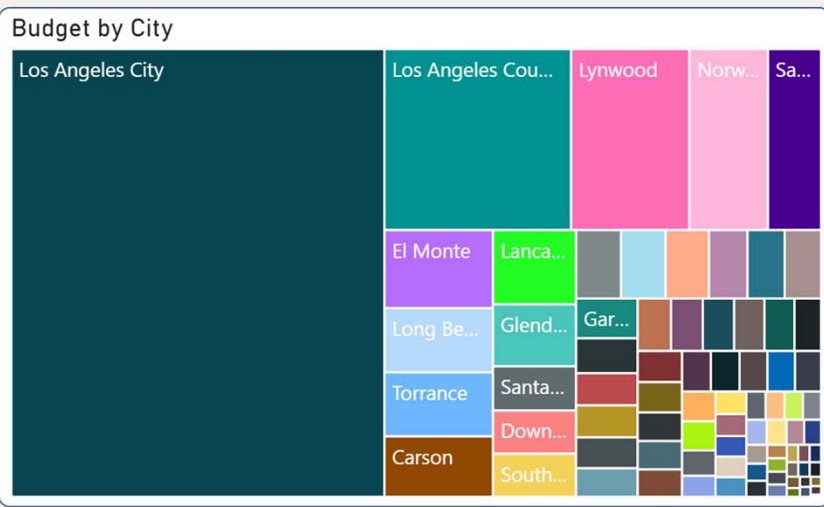


Fund Source  
Measure M

Subregion  
All

Board Member  
All

City  
Search  
 Agoura Hills  
 Arcadia  
 Avalon  
 Azusa



THANK YOU!

## Questions?

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## Board Report

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**File #:** 2020-0940, **File Type:** Oral Report / Presentation

**Agenda Number:** 6.

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**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE  
MARCH 3, 2021**

**SUBJECT:** Oral Report on State of Good Repair

**ACTION:** ORAL REPORT

**RECOMMENDATION**

RECEIVE Oral Report on State of Good Repair





# Measure M Independent Taxpayer Oversight Committee

Enterprise Transit Asset Management  
*State of Good Repair*



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# Transit Asset Management (TAM)

*“TAM is a business model that uses condition of assets to guide optimal prioritization of funding at transit properties in order to keep our transit networks in a State of Good Repair” --- FTA*

## **Per FTA’s TAM Rulemaking – A Capital Asset is in a State Of Good Repair if it Meets The Following Objective Standards:**

- The capital asset is able to perform its designed function;
- The use of the asset in its current condition does not pose an identified unacceptable safety risk; and
- The life-cycle investment needs of the asset have been met or recovered, including all scheduled maintenance, rehabilitation, and replacements.

## **Metro’s TAM Policy Defines**

**An SGR asset as** one that is currently in use in operation and its rehabilitation or replacement needs shall be included in the asset inventory.

**An SGR capital project involves** rehabilitating or replacing an existing asset. *Excluded from this definition are capital projects for capacity enhancements or expansions to existing projects or new services.*



# TAM Inventory Database Overview

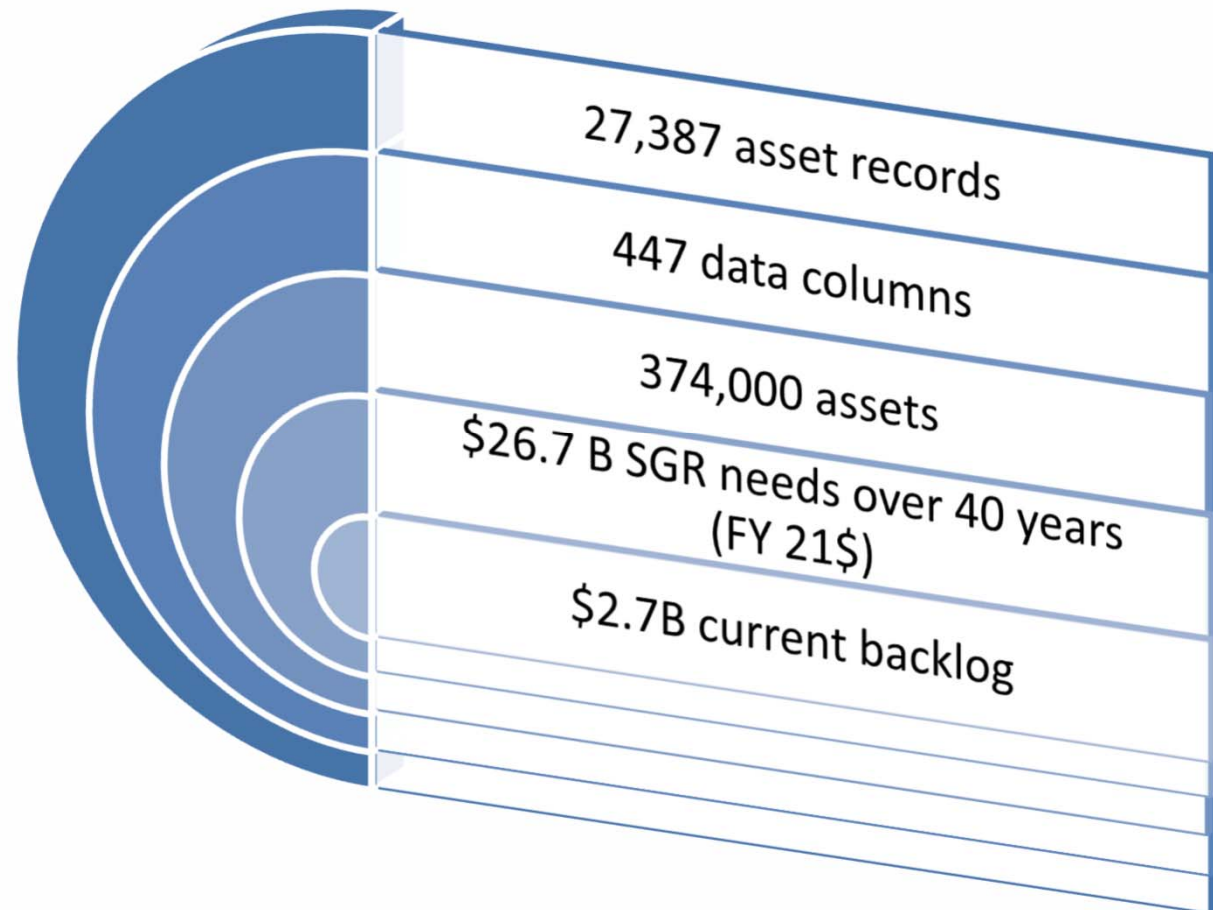
## Database Statistics

As of 11/06/2020

Reported updated FY20 asset data into National Transit Database (NTD) 11/6/2020 on time

Inventory \$19.2B - Continual gathering of information

Backlog: Assets overdue for replacement or rehabilitation



# Federal Transit Administration (FTA) Reporting Requirements

	FTA Asset Class	Performance Measure based on 49 CFR Part 625	FY20 Actual (6/30/20)	FY21 Target Forecast (6/30/21)
Rolling Stock	40-ft Buses (BU)	625.43(b): Rollingstock. The performance measure for rolling stock is the percentage of revenue vehicles within a particular asset class that have either met or exceeded their useful life benchmark.	16%	15%
	Articulated Buses (AB)		80%	47%
	Light Rail Vehicles (LR)		0%	0%
	Heavy Rail Vehicles (HR)		0%	0%
Equipment	Automobiles	625.43(a): Equipment: (non-revenue) service vehicles. The performance measure for non-revenue, support-service and maintenance vehicles equipment is the percentage of those vehicles that have either met or exceeded their useful life benchmark.	26%	26%
	Trucks and Other Rubber Tire Vehicles		39%	37%
	Steel Wheel Vehicles		25%	20%
Facilities	FTA Asset Class	Performance Measure based on 49 CFR Part 625	FY20 Actual <sup>1/</sup>	FY21 Target
	Passenger Facilities (stations & parking)	625.43(d): Facilities. The performance measure for facilities is the percentage of facilities within an asset class, rated below condition 3 ("Adequate") on the TERM scale.	0%	0%
Administration & Maintenance Facilities	0%		0%	
Infrastructure	FTA Asset Class	Performance Measure based on 49 CFR Part 625	FY20 Actual	FY21 Target <sup>2/</sup>
	Heavy Rail (HR)	625.43(c): Infrastructure: rail fixed-guideway, track, signals, and systems. The performance measure for rail fixed-guideway, track, signals, and systems is the percentage of track segments with performance restrictions.	0.4%	0.3%
	Light Rail (LR)		3.0%	2.4%

<sup>1/</sup>FY20 Facility Performance Measure includes the facilities assessed in FY18 and FY19.

<sup>2/</sup>FY21 Infrastructure Performance Measure forecast is 80% of FY20 actual performance measure.



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# FTA TAM Requirements Accomplished

The following has been accomplished by Metro's Enterprise Transit Asset Management (ETAM) staff:

- The Group Plan was completed and the uniform performance targets were reported to the FTA through the National Transit Database (NTD) by October 31, 2020.
- The TAM performance measures for the preceding fiscal year and new targets were reported to the FTA's NTD by November 6, 2020.
- Southern California Association of Governments (SCAG) has been provided Metro's updated TAM Plan and the NTD performance and target data for their regional TAM reporting.

	Current Estimated Replacement Cost	Current Backlog
Facilities	\$ 7,027,139,595	\$ 536,274,808
Equipment	\$ 133,430,113	\$ 45,404,749
Infrastructure	\$ 8,040,365,128	\$ 1,073,658,431
Rolling Stock	\$ 4,007,159,069	\$ 1,020,577,656
Metro Overall	\$ 19,208,093,905	\$ 2,675,915,644





# Transit Asset Management - Next Steps

## **Support implementation of new Enterprise Asset Management System**

- Work with Operations and ITS to procure and implement software
- Coordinate onboarding process for new assets from new projects

## **ETAM, Operations and OMB to integrate asset inventory into capital project prioritization process**

- Include identification of asset replacements in capital project proposals to OMB
- Update backlog with funded FY21 data

## **Continue Condition Assessments:**

- Facilities
- Structures
- Fire Life Safety Systems

## **Provide input on development of SGR Capital Projects for FY22 Budget**

- Provide current asset replacement needs to Operations for project proposals
- Provide SGR needs to long range planning and OMB for funding levels
- Include identification of asset replacements in capital project proposals to OMB
- Update backlog and SGR need with funded FY21 data

## **October 31, 2021 FTA compliance deadline:**

- Upload data into National Transit Database (NTD) for multiple forms
- Provide clarification as needed by the FTA on Performance measures and targets on FY20 upload of data. Two rounds of clarification to date.



**Metro**



Thank you!

Denise Longley  
Enterprise Transit Asset Management  
*State of Good Repair*



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## Board Report

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**File #:** 2020-0941, **File Type:** Oral Report / Presentation

**Agenda Number:** 7.

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**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE  
MARCH 3, 2021**

**SUBJECT: Oral Report on Transit and Highway Project Status**

**ACTION: ORAL REPORT**

**RECOMMENDATION**

RECEIVE Oral Report on Transit and Highway Project Status



Project	Ground-breaking Date		Notes	Project Phase	Budget		Contingency Funds		Soft Costs Spent	Risk
	Exp. Plan (FY)	Anticip. (FY)			Project Budget	Phase Budget Spent	Budgeted	Spent		
<b>Westside Purple Line Extension Section 3</b>	2020	2020	<p>Tunnel Contract:</p> <ul style="list-style-type: none"> <li>• TBM #1 (BR) has mined 331 feet.</li> <li>• TBM #2 (BL) assembly continues at the BL headwall.</li> <li>• Fabrication of tunnel precast concrete liners are ongoing.</li> <li>• Installation of instrumentation &amp; monitoring equipment are ongoing.</li> <li>• Aerially Deposited Lead removal is completed in the Caltrans basin, and work is proceeding.</li> </ul> <p>Stations, Trackwork, and Systems Contract:</p> <ul style="list-style-type: none"> <li>• Final design is ongoing.</li> <li>• Initial soundwall at Westwood/VA station (Lot 42) has been installed.</li> <li>• Utility relocation began at the Westwood/VA station site in January 2021.</li> <li>• Westwood/VA Support of Excavations piling materials deliveries onsite commenced.</li> </ul> <p>Third Party Utility Relocation Work:</p> <ul style="list-style-type: none"> <li>• Joint trench for Verizon and Frontier telecommunications is substantially complete; punch list expected to be complete in February 2021.</li> <li>• LADWP power cutover to 10921 Wilshire Boulevard is planned for spring of 2021.</li> </ul>	Final Design and Construction	\$3.6B	\$662.5M	\$830.6M	\$272.0M	\$187.9M	<ul style="list-style-type: none"> <li>• COVID-19 pandemic impact</li> <li>• ROW negotiations in the alignment between Constellation and UCLA may require longer negotiations and result in schedule delay and increased project cost</li> <li>• Tariffs potentially impact D/B contractors</li> <li>• Delay of contract turnover from tunnels to stations.</li> </ul>
<b>Gold Line Foothill</b>	2020	2020	<p>Design Build Contract for Main Line, Stations, Systems - Awarded Oct. 2019</p> <p>Heavy Construction Started July 2020</p> <p>Base Contract to Pomona Complete by 2025</p>	Final Design and Construction	\$1,406.9M	\$256.7M			\$256.7M excluding Vehicles \$22,000	<ul style="list-style-type: none"> <li>•Lack of funding for the remaining portion of the initial scope and alignment from Glendora to Montclair.</li> </ul>

<b>Airport Metro Connector</b>	2021	2024	<ul style="list-style-type: none"> <li>• Los Angeles World Airport (LAWA) Interface and coordination continues.</li> <li>• Finalizing Early Rail Works construction contract with potential NTP by end of Spring 2021</li> <li>• Received Bids for main construction contract with potential award by early Fall 2021</li> <li>• Hertz Real Estate acquisition is in the process of finalizing the sale through litigation with court hearings and will continue when their calendar resumes. Due to Covid-19 the courts schedules were dramatically impacted and are backlogged. Anticipated to be finalized by end of FY22.</li> </ul>	Final Design and Bid/Award Construction Contracts	\$235.0M	\$159.8M			\$159.8M	<ul style="list-style-type: none"> <li>•Real Estate Real/ eminent domain costs for acquisition and relocation, advance utility relocation, schedule integration with LAWA’s Automated People Mover project and construction of Shoofly.</li> <li>•Constructing project under full Metro operations of the Crenshaw and Green Lines.</li> <li>•LAWA LAMP interface and contractors.</li> </ul>
<b>Orange Line BRT Improvements</b>	2019	2019	<ul style="list-style-type: none"> <li>• Railroad-type gates at up to 35 intersections</li> <li>• Aerial Stations at Sepulveda &amp; Van Nuys</li> <li>• Provisions for connections to ESFV LRT Terminal Station on Van Nuys</li> <li>• Designed for future conversion to LRT</li> <li>• RFP Progressive Design-Build Contract – Spring 2021</li> <li>• Award Contract – Spring 2022</li> <li>•Complete – Summer 2025</li> </ul>	Design Phase	\$286M/ \$393M (Total Project)	\$20.6M	18.60%	N/A	\$19.6M	Gating a busway and platooning buses requires new technology not yet implemented at Metro or other transit agencies
<b>East San Fernando Valley Transit Corridor</b>	2022	2022	RFP Design Build Contract – Summer 2021 Begin Construction – Early 2022 Complete – 2028.	Preliminary Engineering (PE)	\$71.4M	\$47.5M			\$47.5M	<ul style="list-style-type: none"> <li>•Current short funding will cause delay; means we may not reach Measure M opening day</li> <li>•Real estate acquisitions and advanced utility relocations need to start in 2021 otherwise this will affect our DB start date.</li> <li>•DWP and LA County have facilities located along Van Nuys Blvd that we have not reached an agreement.</li> <li>•The City of San Fernando and Metrolink have concerns about ESFV and may not support the project in its current design. Both groups would like to see Metro grade-separate at multiple intersections between San Fernando Road and the Sylmar/San Fernando Metrolink station, which would be cost prohibitive.</li> </ul>

<b>West Santa Ana Transit Corridor</b>	2024	2024	<p>19 Mile Light Rail Line Alternatives in Environmental Document:</p> <ul style="list-style-type: none"> <li>• Alternative 1: Los Angeles Union Station to Pioneer</li> <li>• Alternative 2: 7th St/Metro Center to Pioneer</li> <li>• Alternative 3: Slauson/A (Blue) Line to Pioneer</li> <li>• Alternative 4: I-105/C (Green) Line to Pioneer</li> </ul> <p>Key Environmental dates</p> <ul style="list-style-type: none"> <li>• Draft EIS/EIR Release: June 2021</li> <li>• Board Selects LPA: September 2021</li> <li>• Final EIS/EIR Certification: Late 2021</li> <li>• ROD Issued: Mid 2022</li> </ul>	Environmental Clearance (NEPA/CEQA) and Advanced Conceptual Engineering	\$60.8M	\$49.8M			\$49.8M	<ul style="list-style-type: none"> <li>• UPRR agreement</li> <li>• Third party coordination (Caltrans, Cities, CPUC, etc.)</li> <li>• SHPO consultation</li> <li>• Interface with Express Lanes</li> <li>• Utilities</li> <li>• Hazardous materials</li> </ul>
<b>Green Line Extension to Torrance</b>	2025	2025	<ul style="list-style-type: none"> <li>• Redondo Station to Regional Transit Center in Torrance</li> <li>• EIR 2020 - 2023, awarding Environmental with an option to do Advanced Conceptual Engineering and Preliminary Engineering by early 2020</li> <li>• Engineering 2022 - 2025</li> <li>• Construction 2025 - 2030</li> </ul>	Environmental Impact Report (EIR)	\$18.5M	\$13.8M			\$13.8M	Interagency Agreements, Utility Relocation, Liquification, and Seismic Issues
<b>Sepulveda Transit Corridor Project</b>	2026	2026	<ul style="list-style-type: none"> <li>• Environmental consultant selected</li> <li>• Ongoing procurement to select an Outreach consultant</li> <li>• Ongoing procurement to select up to 2 pre-development (PDA) teams</li> </ul> <p>PDA/Environmental Review:</p> <ul style="list-style-type: none"> <li>• PDA teams to develop project alternatives optimized for P3 delivery</li> <li>• Conduct state and federal environmental studies</li> <li>• Identify Locally Preferred Alternative (LPA)</li> <li>• 2025 - issue request for P3 proposal for LPA delivery</li> </ul>	Environmental Impact Report (EIR)/PDA	\$29.4M	\$18.3M			\$18.3M	Geotechnical, Third-Party Coordination, Stakeholders and Community
<b>Gold Line Eastside Ext. Phase 2</b>	2028	2028	<ul style="list-style-type: none"> <li>• Board withdrew SR 60 and Combined Alternatives from further study – Feb 2020</li> <li>• Environmental clearance of the Washington Alternative and potential IOS’ – 2023</li> <li>• Engineering – 2025</li> <li>• Construction One Alignment – 2029</li> </ul>	California Environmental Quality Act (CEQA)/Advanced Conceptual Engineering (ACE)	\$50.5M	\$42.3M			\$42.3M	Potential budget shortfall, Utilities, Tunnel portals, easements, Third Party Permits and approvals

Measure M Oversight Committee

Highway Projects Overview

Updated February, 2021

Item #	Project	Ground-breaking Date		Project Phase	Budget		Contingency Funds			Risk	PM	Notes
		Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 01/31/20)	Soft Costs Spent*			
1	I-5 N Cap. Enhancements (SR-14 to Parker Road)	2019	2021	Construction	600-650M	0	0	0	55.88M	Closures, detouring, seasonal restricted hours of work, unknown and undocumented utilities.	Paul Sullivan	Project is fully programmed. Metro will be the Lead Agency in constructing the project. Currently in Bid process.  Project includes Measure M, R and other Grant Funding
2	SR-71 Gap from I-10 to Rio Rancho Road	2022	2021	Southern Segment Construction	148.10M	0	0	0	18.48M	None	Victor Gau	Project by Caltrans. Broken down to two segments. Southern segment between Mission Blvd and San Bernardino County Line was advertised for construction in 2020 and a the construction contract was awarded in early 2021.  Soft costs spent to date are from TCRF and Other Federal Funds.
				Northern Segment Final Design	40.40M	0	0	0	17.19M	Utility & Railroad (RR) coordination causing schedule impacts. Funding shortfall of up to \$61 million.		Northern Segment requires multi-agency coordination/agreements and RR approvals of the design for two bridges spanning over the RR tracks. to resolve RR and ROW issues.  Soft costs spent to date are from TCRF and Other Federal Funds.
3	SR-57/SR-60 Interchange Improvements	2025	2023	Final Design	25.28M	17.88M	0	0	20.05M	\$22M TCEP grant for Design/ROW Phases may be forfeited if not kept on schedule.	Roberto Machuca	Project is in final design expected to be completed in 2021. Grants have been secured for final design (\$17 mil) and ROW (\$5 mil). Grants are secured for construction (\$217.2M).
4	I-405 South Bay Curve Improvements	2045	TBD	Environmental	3.24M	3.24M	0	0	3.24M	None	Isidro Panuco	Several projects in various phases. South Bay has proposed to divert \$400 mil. of their highway funds to other purposes. Metro Board has approved. Approval by the CA Legislators is necessary. If this happens, only \$506 will be left in the subregion to pay for the needed highway projects. With the remaining funds, the following projects in the corridor are currently in progress, and some with funding through Final Design, construction funds will need to be identified:  - I-405 Southbound Auxiliary lanes in Lawndale. Ready to start PSE. Construction start in 2023,m pending withdrawal/defeat of a lawsuit filed by Lawndale. Project expenditures to date paid for by Measure R. Need funding for construction phase,
				PSR-PDS	0.94M	0.94M	0	0	0.94M	None		I-405 I-110 to Wilmington: PSR completed, ready to start PAED. Project expenditures to date paid for by Measure R. Need funding for construction phase.

# Measure M Oversight Committee

## Highway Projects Overview

Updated February, 2021

Item #	Project	Ground-breaking Date		Project Phase	Budget		Contingency Funds			Risk	PM	Notes
		Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 01/31/20)	Soft Costs Spent*			
5	I-710 South Corridor Project (Phase 1)	2026	TBD	Environmental	93.57M	92.37M	0	0	92.37M	Air Quality conformity determination for Final EIR/EIS. Legal challenges to the environmental document.	Ernesto Chaves/ Lucy Delgadillo	In negotiations with the EPA. If the ED approved, early action projects will start environmental and design phase in 2021-22 and some will be construction ready by 2025-26.  Soft costs spent to date are from Measure R and Prop C and other Local Funds.  Project Phase Budget and Expenditures include Labor charges. Does not include charges from PID.
6	I-710 South Corridor Project (Phase 2)	2032	TBD	Environmental	Same As Above	Same As Above	0	0	Same As Above	Same As Above	Ernesto Chaves/ Lucy Delgadillo	Same As Above  In negotiations with the EPA. If the ED approved, early action projects will start environmental and design phase in 2021-22 and some will be construction ready by 2025-26.
7	I-105 ExpressLanes from I-405 to I-605	2027	TBD	Environmental	5.7M	2.2M	0	0	7.2M	None	Shahrazad Amiri/ Philbert Wong	Finalizing environmental document for approval/certification.  Total phase budget is \$13,121,000, of which \$5.7M is Measure M. Soft cost total spent includes Measure M and other funds.
8	High Desert Intercity Rail Corridor  (High Desert Multi-Purpose Corridor - Rail)	2019	TBD	Service Development Plan/Preliminary Engineering	4.625M, including \$3M in Measure M, \$1.375M in TIRCP and \$0.25M in DesertXpress funds	0	0	0	0	None	Vincent Chio/ Jeanet Owens	Proposed new high-speed intercity passenger rail service from the future Brightline West station in Victor Valley to the future Palmdale station along the 54-mile-long High Desert Corridor. DesertXpress BrightLine is developing the Brightline West high-speed rail system between Las Vegas and Southern California that includes a future station in Victor Valley. Metro has executed a contract with consultants for the development of a Service Development Plan and Preliminary Engineering by March 2021  At the request of the County of Los Angeles, Supervisorial District 5, Metro will contribute additional \$0.4M to complete the joint CEQA/NEPA amendment to address changes to the rail corridor since the original ED.
9	High Desert Multi-Purpose Corridor - Highway	2019	TBD	PSR-PDS	500K for new PSR	0	0	0	0	None	Isidro Panuco	Replacement project proposed on SR-138 in LA and SR-18 in SB counties. Joint efforts by Metro, SBCTA, and Caltrans to develop a PSR starting in 2021.  Effort to be funded from remaining measure R funds. Additional Measure M funds needed for subsequent phases.
				Environmental Process was completed for the HDC but the project was deemed to be infeasible and will not be pursued as originally proposed.	37.45M for the original Environmental Document	36.79M for the original Environmental Document	0	0	36.79M	Insufficient funds continue the original project.		Soft costs spent to date are from Measure R.

## Measure M Oversight Committee

### Highway Projects Overview

Updated February, 2021

Item #	Project	Ground-breaking Date		Project Phase	Budget		Contingency Funds			Risk	PM	Notes
		Exp. Plan (FY)	Anticipate (FY)		Phase Budget	Phase Budget Spent	Budgeted	Spent (as of 01/31/20 )	Soft Costs Spent*			
10	I-5 Corridor Improvements (I-605 to I-710)	2036	TBD	Not Started	0	0	0	0	0	None	Ernesto Chaves	The southern segment at the I-5/I-605 interchange is in environmental phase under the I-605 Corridor Imp Project. If ROW impacts are not resolved/accepted, the future improvements on I-5 between 605 and 710 might be limited. Only location-specific operational improvements will be considered along this corridor.
11	I-405/I-110 HOV Connector Ramps and Interchange Improvements	2042	TBD	Not Started	0	0	0	0	0	Property impacts may be significant resulting in lack of support	Isidro Panuco	Funds are allocated 22 years from now. Need to develop a PSR to establish project concepts and possible improvements.
12	I-605/I-10 Interchange	2043	TBD	Not started	0	0	0	0	0	Property impacts due to improvements may result in lack of support	Isidro Panuco	Funds are allocated 23 years from now. In environmental phase (part of the 605 CIP). Considerable ROW impacts at the I-5/I-605 Interchange expected. If the ROW acquisitions are not approved, the project environmental process will be stopped and other operational improvements will be considered.
13	SR-60/I-605 Interchange HOV Direct Connectors	2043	TBD	Not Started	0	0	0	0	0	Property impacts may be significant resulting in lack of support	Isidro Panuco	TBD. The project would need to start a PSR.
14	I-110 Express Lanes Ext. South to I-405/I-110 Interchange	2044	TBD	Not Started	0	0	0	0	0	Need to construct an aerial structure at that juncture	Shahzad Amiri/ Philbert Wong	TBD
15	High Desert Multi-Purpose Corridor – LA County Segment	2063	TBD	Not Started Environmental phase completed. The feasibility of advancing various project components is being evaluated.	0	0	0	0	0	Viability of projects, partnerships, funding.	Isidro Panuco	See Items 8 and 9 above.

\*Soft Costs include all Non-Construction Capital expenditures up to the current phase.



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

## Board Report

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**File #:** 2020-0942, **File Type:** Oral Report / Presentation

**Agenda Number:** 8.

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**MEASURE M INDEPENDENT TAXPAYERS OVERSIGHT COMMITTEE  
MARCH 3, 2021**

**SUBJECT:** Oral Report on Active Transportation

**ACTION:** ORAL REPORT

**RECOMMENDATION**

RECEIVE Oral Report on Active Transportation

# Active Transportation Updates

Measure M Independent Taxpayer Oversight Committee

March 3, 2021





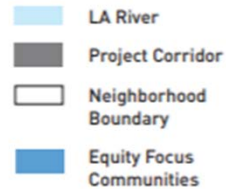
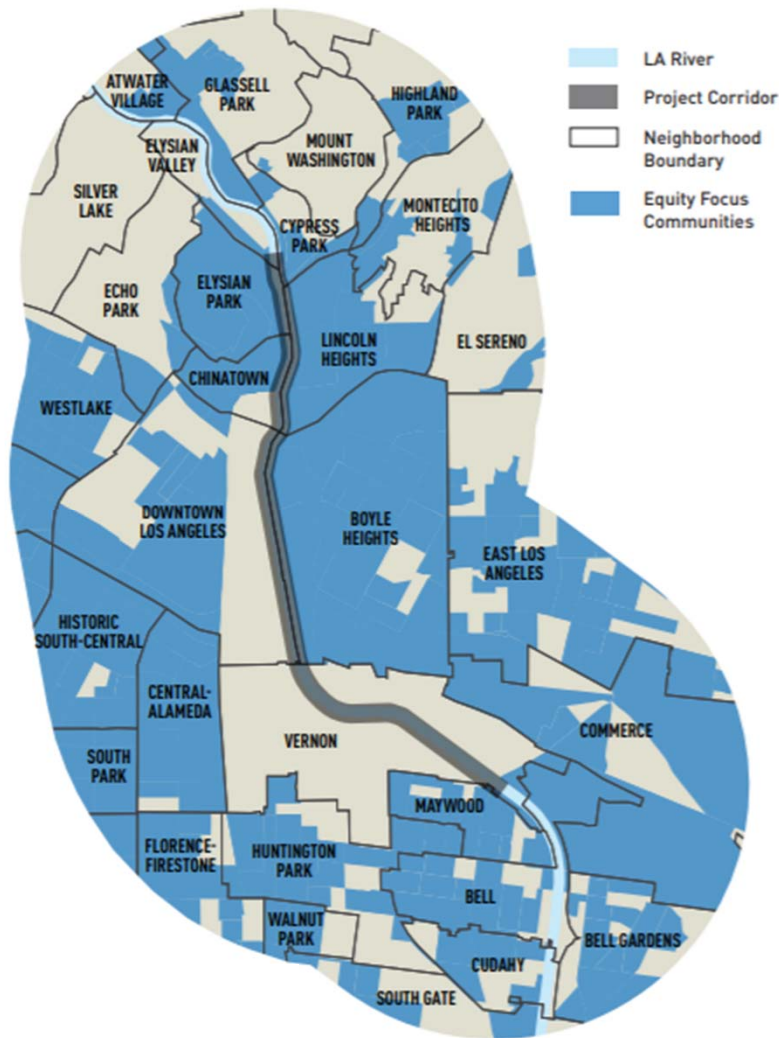
# Subfund Summary

Subfund	Program	% of Sales Tax (net of Admin)	First Year Amount (FY 2018)	FY 2018 - FY 2032 (15 Years)	FY 2033 - FY 2047 (15 Years)	FY 2048 - FY 2057 (10 Years)	FY 2018 - FY 2057 (40 Years)
Highway, Active Transportation, Complete Streets (Capital)	Highway Construction (includes System Connectivity Projects - Ports, Highway Congestion Programs, Goods Movement)	17%	\$ 144	\$ 2,890	\$ 7,880	\$ 9,560	\$ 20,330
	Metro Active Transportation Program (Bicycle, Pedestrian, Complete Streets)	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390

		Funds Available (2015\$)	Opening Year (3 Year Range)
Major Projects	LA River Path	\$365M	FY25
	Complete LA River Bikepath	\$60M	FY25
Multi-year Subregional Programs	Metro Active Transport, Transit 1 <sup>st</sup> /Last Mile Program	\$857M	FY57
	Active Transportation 1 <sup>st</sup> /Last Mile Connections Prog – Westside Cities	\$361M	FY57
	Active Transportation Program – North County	\$264M	FY57
	Active Transportation Program – Gateway Cities	TBD	FY57
	Active Transportation Program incl. Greenway Projects – San Gabriel Cities	\$231M	FY57
	Active Transportation, 1 <sup>st</sup> /Last Mile, & Mobility Hubs – Central Cities	\$215M	FY57
	Active Transportation, Transit, and Tech. Program – Las Virgenes/Malibu	\$32M	FY32
	Active Transportation Projects – Arroyo Verdugo	\$136.5M	FY57

# LA River Path

## Central Cities



### Status

- Scoping Report complete

### Ongoing

- Environmental Tech Studies to support DEIR
- Commence 15% Engineering Design to support DEIR

Within the LA River Path project corridor:<sup>2</sup>

**85,000**   
people live within walking distance of the Los Angeles River (1/2 mile)

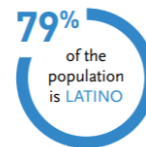
OF THE **1 MILLION**   
people who live within biking distance of the Los Angeles River (3 miles)

**22%** of working-age people  
WALK, BIKE, or TAKE TRANSIT

Median household income is:

**\$42,600**

**29%** live in POVERTY



# Complete LA River

*West San Fernando Valley*



## Project Description

- 13mi biking and walking path along LA River in West SFV

## Segments 1 & 2 (Vanalden to Balboa)

- 90% construction drawings under review
- Construction Cost Estimate: \$49M

## Segment 8 (Whitsett to Lankershim)

- ATP Cycle 5 application

# Metro Active Transport Program



## Status

- Board approved Project Selection
- \$63.1M for 16 projects
  - 24 miles of corridor improvements
  - 11 stations with first/last mile improvements

## What's Next

- Develop agreements with project sponsors



# Multi-Year Subregional Programs



## Status

- Arroyo Verdugo subregion
  - Programming of \$1.2M Modal Connectivity & Complete Streets funds
  - Inter-program borrowing & programming of \$1.8M Active Transportation funds
- Westside Cities subregion
  - Programming of \$26.1M Active Transportation 1st/Last Mile Connections Program

## What's Next

- Continue working with Central LA, Las Virgenes/Malibu, North County and San Gabriel subregions