



# AGENDA

## LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

### BOARD OF DIRECTORS REGULAR MEETING

Thursday, April 5, 2012 • 9:00 a.m.  
Grace E. Simons Lodge  
1025 Elysian Park Drive, Los Angeles, CA 90012

Los Angeles Regional Interoperable Communications System Authority (the "Authority")

#### **AGENDA POSTED: APRIL 2, 2012**

Complete agendas are made available for review at the designated meeting location during normal business hours and may also be accessible on the Authority's website at <http://www.la-rics.org>.

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#### **Members:**

1. **William T Fujioka**, Chair, CEO, County of Los Angeles
2. **Charles L. Beck**, Vice Chair, Police Chief, City of Los Angeles
3. **Mark R. Alexander**, City Manager, representing California Contract Cities Association
4. **Leroy D. Baca**, Sheriff, County of Los Angeles
5. **Reginald Harrison**, Deputy City Manager, City of Long Beach
6. **LeRoy J. Jackson**, City Manager, City of Torrance, representing At Large Seat
7. **Dr. Mitchell H. Katz**, Director, DHS, County of Los Angeles
8. **Gerry F. Miller**, Chief Legislative Analyst, City of Los Angeles
9. **Daryl L. Osby**, Fire Chief, County of Los Angeles
10. **Brian Cummings**, Fire Chief, City of Los Angeles
11. **Donald Pedersen**, Police Chief, City of Culver City, representing At Large Seat
12. **Scott Pickwith**, Police Chief, representing the Los Angeles County Police Chiefs Association
13. **Kim Raney**, Police Chief, City of Covina, representing At Large Seat
14. **Timothy Scranton**, Fire Chief, representing the Los Angeles Area Fire Chiefs Association
15. **Miguel Santana**, CAO, City of Los Angeles
16. **Gregory L. Simay**, Assistant General Manager, City of Burbank Water & Power, representing At Large Seat
17. **Steven K. Zipperman**, Police Chief, Los Angeles School Police Department

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#### **Officers:**

1. **Patrick Mallon**, Executive Director
2. **Wendy L. Watanabe**, County of Los Angeles Auditor-Controller
3. **Mark J. Saladino**, County of Los Angeles Treasurer and Tax Collector
4. **Patricia Saucedo**, Board Secretary



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

**I. CALL TO ORDER**

**II. ANNOUNCE QUORUM – Roll Call**

**III. APPROVAL OF MINUTES (1)**

1. March 1, 2012 Regular Meeting Minutes

**Attachment: Item 1**

**IV. CONSENT CALENDAR – (None)**

**V. REPORTS (2–5)**

2. Committee Reports (2.a and 2.d)

- a. Finance Committee – Stephen Sotomayor

- b. Legislative Committee – No Report

- c. Operations Committee – No Report

- d. Technical Committee – Kevin Nida

- i. Presentation regarding H.R. 3630

- ii. Presentation of Second Responders Network

3. Independent Auditor's Report – County of Los Angeles Auditor-Controller Representatives

**Attachment: Item 3**

4. Director's Report – Pat Mallon

- a. RFP of Telecommunications System Procurement Update

- b. Contracts Update – Pat Mallon

- i. NTP to UltraSystems

- ii. NTP to Jacobs

- iii. Funds Paid and/or Encumbered

**Attachment: Item 4a and 4b**

5. Grant Status Report

- a. BTOP and SHSGP Report – Pat Mallon

- b. The Match Requirement for BTOP – Pat Mallon

- c. UASI Report – City of Los Angeles

- i. Grant Expenditures for UASI '08

**Attachment: Item 5a**



**VI. ADMINISTRATIVE MATTERS/ACTION ITEMS (6-7)**

6. Authority Elections For At Large Board Members – Pat Mallon

Per the Authority's Bylaws, the Board of Directors must set a date for mail-in ballot elections of the At Large Director and Alternate Director seats, 6 months prior to the expiration of terms.

It is recommended that the Board:

- a. Extend the term of the At Large Directors and Alternates to Thursday, November 1, 2012; and,
- b. Set the date for At Large Directors and Alternates mail-in ballot elections for Thursday, November 1, 2012.

**Attachment: Item 6**

7. Approval of Urban Area Security Initiative (UASI) 2008 Sub-Recipient Agreement – Pat Mallon

It is recommended that the Board:

- a. Delegate authority to the Executive Director to execute the UASI 2008 Subrecipient Agreement with the City of Los Angeles, as the grant administrator, for \$346,251 in UASI 08 funds, substantially similar to the attached form.

**Attachment: Item 7**

**VII. CLOSED SESSION REPORT**

8. Conference with Legal Counsel – Anticipated Litigation (Subdivision (b) of Government Code Section 54956.9)

- a. Significant exposure to litigation (one case)

**VIII. PUBLIC COMMENTS**

**IX. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD**

9. Project Funding
10. Project Risk Controls

**X. ADJOURNMENT and NEXT MEETING:**

Thursday, May 3, 2012, at 9:00 a.m., at the Grace E. Simons Lodge.



### BOARD MEETING INFORMATION

Members of the public are invited to address the LA-RICS Authority Board on any item on the agenda prior to action by the Board on that specific item. Members of the public may also address the Board on any matter within the subject matter jurisdiction of the Board. The Board will entertain such comments during the Public Comment period. Public Comment will be limited to three (3) minutes per individual for each item addressed, unless there are more than ten (10) comment cards for each item, in which case the Public Comment will be limited to one (1) minute per individual. The aforementioned limitation may be waived by the Board's Chair.

*(NOTE: Pursuant to Government Code Section 54954.3(b) the legislative body of a local agency may adopt reasonable regulations, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.)*

Members of the public who wish to address the Board are urged to complete a Speaker Card and submit it to the Board Secretary prior to commencement of the public meeting. The cards are available in the meeting room. However, should a member of the public feel the need to address a matter while the meeting is in progress, a card may be submitted to the Board Secretary prior to final consideration of the matter.

It is requested that individuals who require the services of a translator contact the Board Secretary no later than the day preceding the meeting. Whenever possible, a translator will be provided. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. (323) 881-8291 or (323) 881-8295

SI REQUIERE SERVICIOS DE TRADUCCION, FAVOR DE NOTIFICAR LA OFICINA CON 72 HORAS POR ANTICIPADO.

The meeting is recorded, and the recording is kept for 30 days.



# Board of Directors MEETING MINUTES

LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

March 1, 2012

Grace E. Simons Lodge  
1025 Elysian Park Drive, Los Angeles, CA 90012

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## Board Members Present:

**William "Bill" T Fujioka Chair**, CEO, County of Los Angeles  
**Brian Cummings**, Fire Chief, City of Los Angeles Fire Department  
**Leroy "Lee" D. Baca, Sheriff**, County of Los Angeles  
**Timothy Scranton**, Fire Chief, City of Beverly Hills, representing the Los Angeles Area Fire Chiefs Association  
**Scott Pickwith**, Police Chief, City of La Verne, representing the Los Angeles County Police Chiefs Association  
**Mark R. Alexander**, City Manager, City of La Cañada Flintridge, representing Contract Cities Association  
**LeRoy J. Jackson**, City Manager, City of Torrance, representing At Large Seat  
**Gregory "Greg" L. Simay**, Assistant General Manager, City of Burbank Water & Power, At Large Seat  
**Kim Raney**, Police Chief, City of Covina, At Large Seat

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## Representatives For Board Members Present:

**Patricia "Patty" J. Huber**, representing Miguel Santana, CAO, City of Los Angeles  
**Sandy Jo MacArthur**, representing Charles "Charlie" L. Beck, Vice Chair, Police Chief, City of Los Angeles  
**June Gibson**, representing Gerry Miller, Chief Legislative Analyst, City of Los Angeles  
**John F. Lenihan**, representing Daryl L. Osby, Fire Chief, County of Los Angeles  
**Cathy Chidester**, representing Dr. Mitchell H. Katz, Director, DHS, County of Los Angeles  
**Nancy L. Ramirez**, representing Steven K. "Steve" Zipperman, Police Chief, Los Angeles School Police Department

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## Officers Present:

**Pat Mallon**, LA-RICS Executive Director  
**Patricia Saucedo**, Board Secretary

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## Absent:

**Reginald "Reggie" Harrison**, Deputy City Manager, City of Long Beach  
**Donald "Don" Pedersen**, Police Chief, City of Culver City, At Large Seat  
**Mark J. Saladino**, Los Angeles County Treasurer and Tax Collector  
**Wendy L. Watanabe**, Los Angeles County Auditor-Controller



- I. CALL TO ORDER – Chair Fujioka called the meeting to order.
- II. ANNOUNCE QUORUM – Roll Call. Roll Call. Chair Fujioka acknowledged that quorum was present.
- III. APPROVAL OF MINUTES
  1. February 2, 2012 – Regular Meeting – **MOTION APPROVED.** Board Member Mark Alexander abstained due to his absence at the last meeting.

IV. CONSENT CALENDAR – (None)

V. REPORTS (2–4)

2. Committee Reports:
  - A. Legislative Committee – No Report
  - B. Finance Committee – No Report
  - C. Operations Committee – No Report
  - D. Technical Committee – No Report
3. Director's Report – Pat Mallon

Executive Director Mallon informed the Board that he has five items:

Project Management Contract – Executive Director Mallon informed the Board that he will be requesting for a Special Meeting for March 15, 2012. They have received four (4) proposals; evaluation process is complete; negotiations on both cost and scope are nearing completion; and will be ready to present a contract to the Board on March 15, 2012.

Telecommunications System Procurement - The Internal Services Department (ISD) reported that the evaluation process is nearing completion, ahead of schedule. The Project Team is completing a gap analysis and will be meeting next week to cover both proposals and soon we will be in a position to immediately move into negotiations. ISD will be providing the Board with an update at the meeting on March 15, 2012. The initiation of negotiations is anticipated for before the end of this month.

The Environmental Assessment Progress Report - As reported in February, all LTE sites were inspected by the consultant and found no critical environmental issues at any of the sites. LA-RICS is 90% complete on base line project narrative and deliverables for the NTIA are on schedule. They are conducting weekly teleconferences with the NTIA to resolve any concerns that NTIA might have. A technical site and data narrative must be completed after the detailed system design by the telecommunications contractor. Up until now, LA-RICS has encountered no critical issues, and looking ahead they do have a site data sheet in an initial draft of the project description. Following that they will begin an outreach to local jurisdictions and regulatory agencies.

Membership Committee - Membership committee held its initial committee meeting on February 8, 2012, with the request that County Counsel reviews the Joint Powers Agreement as it related to partial participation. The scheduling of the second meeting will be determined after LA-RICS receives County Counsel's review.

HR.3630 - HR.3630 was passed by Congress and was signed into law by President Obama on February 22, 2012. That piece of legislation assigns the D-Block to Public Safety, something that we have been long seeking. But it also requires the sale of T-Band frequencies, which is 470 to



512, within nine years with a two year switch over. T-Band is at the heart of the LA-RICS LMR Plan System. At this point there is no specific frequency band that has been identified by the FCC by which we would have to be moving, however there seems to be a favor to the 700 – 800 MHz due to its proximity to the broadband frequencies.

Chair Fujioka stated that this legislation is very important. He stated that there will be a specific Agenda item on March 15, 2012, to discuss the impact that it has on the project and options.

Board Member Jackson asked if there was any feedback during the workout of the legislation with legislative advocates. Chair Fujioka said that is part of the information to be gathered for March 15, 2012.

4. Grant Status

A. UASI and PSIC –

Eileen Decker delivered a written report of information that was requested at the last meeting. Board Member Jackson asked if tied to this is there to be an extension report as to how much grant money will be spent over the next year almost as a budget context, so that the Board can see where those funds are going to be used during the next 12 months. Executive Director Mallon stated that a lot of that will be stated at the next meeting on March 15, 2012.

Board Member Simay ask a question regarding the UASI handout, the fourth bullet point, reserving the right to change to all projects, in accordance with direction provided by the grantor for each grant. Who are the deciders, is it a group, is it a decision that involves UASI? Who ultimately makes the call to reallocate funds?

Eileen Decker stated that it starts at the top, with DHS who is the grantor. Cal EMA is also considered a grantor, tare active in reviewing the projects and provide advice to DHS. There is also the UASI Approval Authority. Every entity represented on the LA-RICS Board is also represented on that approval authority. It makes the specific project decisions and allocations of the grant funds. When the UASI region is awarded money, the Approval Authority make percentages on how to break it up between current investment justifications, and the ultimate list of projects.

Board Member Simay asked if the LA City Mayor's Office would be able to make decisions independently of UASI or through UASI. Ms. Decker stated that it was through the UASI.

B. SHSGP and BTOP –

Executive Director Mallon stated that SHSGP 07' grant is closed. With respect to the SHSGP 08' funds we have written correspondence to the Coordinators suggesting that they reallocate the funds. This is because of the restart of the procurement process. The most recent letter was on March 24, 2012. We had initially anticipated that we could spend 1million dollars doing site upgrades through an existing contract and upcoming contract through the Department of Public Works. We were advised that that contract process was delayed and so it would make it impossible for us to utilize that contract and spent the money.

SHSGP 09' and 10' monies, we do anticipate spending those for the vendor contract.

BTOP payments have been made primarily to Televate, the LTE consultant, and for the Ultrasystems contracts both the prior and current the environmental assessment. Board Member Simay requested that the next report include references to match requirements.





Board Member Simay asked about SHSGP 08' reallocation. Executive Director Mallon stated that they had already reallocated 5,549,000 dollars, and recently learned that the potential to contract through at DPW open procurement was not moving forward, and will make impossible for us to complete it before the May 2012 deadline. There was written correspondence advising them that they can repurpose that 1 million dollars.

VI. ADMINISTRATIVE MATTERS (5-7)

5. At Large Directors and Alternate Directors Election (September 6, 2012) and Board Member Voting Rights - Pat Mallon

RECOMMENDATION: It is recommended that the Board:

- A. Extend the term of the At Large Directors and Alternates to September 6, 2012.
- B. Set the date for At Large Directors and Alternates mail-in ballot elections for Thursday, September 6, 2012

Chair Fujioka stated that this item will be continued to the meeting on March 15, 2012. There is still an issue that needs County Counsel's attention.

VII. MISCELLANEOUS – (None)

6. Finance Committee Meeting Minutes for 2011 (7 meetings)

Executive Director Mallon stated that the Finance Committee Meeting minutes for 2011 were included by the request of Board Member Simay.

VIII. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD

- 7. Project Funding
- 8. Project Risk Controls

Executive Director Mallon stated that Agenda Items 7 and 8 will probably be continued until April or May 2012.

IX. PUBLIC COMMENTS – (None)

X. ADJOURNMENT

Thursday, April 5, 2012, at 9:00 a.m. at the Grace E. Simons Lodge.





**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
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WENDY L. WATANABE  
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN  
JUDI E. THOMAS

March 28, 2012

The Board of Directors  
Los Angeles County Regional Interoperable  
Communications System (LA-RICS)  
c/o Patrick J. Mallon, Executive Director  
2525 Corporate Place, Suite 200  
Monterey Park, CA 91754

Members of the Board:

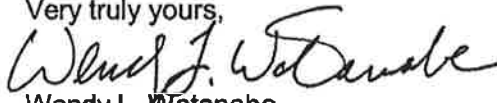
**AUDIT OF THE LOS ANGELES REGIONAL INTEROPERABILITY  
COMMUNICATION SYSTEM AUTHORITY FOR  
THE YEAR ENDED JUNE 30, 2011**

Attached are the independently audited financial statements for the Los Angeles Regional Interoperability Communication System Authority (LA-RICS) for the year ended June 30, 2011.

The auditor's report (attached) concludes that the financial statements are presented fairly in conformance with generally accepted accounting principles and State regulations governing special districts. The auditor also indicated that they found no material deficiencies in LA-RICS' controls over financial reporting.

If you have any questions, please call me, or your staff may contact Rachele Anema at (213) 974-8327.

Very truly yours,

  
Wendy L. Watanabe  
Auditor-Controller

WLW:JN:CY:RA

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Enclosure

c: Michael Iwanaga, County of Los Angeles, Chief Executive Office

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT, SYSTEMS, AND FINANCIAL CONSULTANTS**

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To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

In planning and performing our audit of the basic financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

During our audit, we noted no matters involving internal control and operational matter that is presented for your consideration.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist.

This communication is intended solely for the information and use of management, the Board of Directors, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Thank you for the opportunity to serve the Authority. We appreciate the courtesy and cooperation extended to us during our audit.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT, SYSTEMS, AND FINANCIAL CONSULTANTS

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January 30, 2012

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

We have audited the basic financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 30, 2012. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility under Generally Accepted Auditing Standards (and when applicable, Government Auditing Standards)**

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

There were no findings regarding significant control deficiencies over financial reporting and material noncompliance and other matters noted during our audit.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to the County of Los Angeles at our entrance conference held on January 9, 2012.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 2 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no sensitive accounting estimates affecting the financial statements.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There are no uncorrected misstatements relating to the Authority.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated January 30, 2012.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Findings or Issues**

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended for the information and use of the Board of Directors, management, others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Thompson, Cobb, Bazilia & Associates, P.C.*

The Los Angeles Regional  
Interoperable Communications System Authority

Financial Statements  
and Independent Auditor's Report

For the Year Ended June 30, 2011

**TCBA**

THOMPSON, COBB, BAZILIO & ASSOCIATES, P.C.  
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**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2011**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

We have audited the accompanying balance sheet of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of June 30, 2011, and the related statement of revenues, expenditures and change in fund balance for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements and Reporting Guidelines for Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2011, and the results of its operations and the changes in its fund balances thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012 on our consideration of the Authority'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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) and the Required Supplementary Information, as listed in the accompanying table of contents, are not a required part of the Authority's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011**

The Management's Discussion and Analysis (MD&A) of the financial activities of the Los Angeles Regional Interoperability Communication System Authority (Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the accompanying basic financial statements, footnotes and supplementary information.

**Financial Highlights**

- During the current year, the Authority's assets totaled \$1,180,303. Cash and Investments deposited in the County Treasury Pool totaled \$914,134.
- Operating revenues totaled \$1,772,838 and mainly consisted of a federal grant in the amount of \$1,095,026 and contributions from the County of Los Angeles.
- The Authority has no short or long term debt.

**Overview of Financial Statements**

This MD&A serves as an introduction to the Authority's basic financial statements. The basic financial statements include four components: 1) Balance Sheet; 2) Statement of Revenues, Expenses and Changes in Fund Balance; 3) Notes to the Financial Statements and 4) Supplemental information.

- The Balance Sheet presents all of the Authority's assets and liabilities, with the difference reported as fund balance. Over time, increases or decreases in fund balance may serve as a useful indicator to determine whether the financial position of the Authority is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Fund Balance present information showing how the Authority's fund balance changed during the fiscal year. All changes in fund balance (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g. accrued but unpaid contract and professional service fees).
- The notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements.
- The supplemental information includes schedules in the format of the basic financial statements, showing the activity for each fund.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011  
(Continued)**

**Financial Statement Analysis**

The Authority is in its' initial year of operation. Operating revenues consist primarily of federal grants and contributions from the County of Los Angeles. Operating expenses consist primarily of contract and professional service fees.

**Capital Assets**

As of June 30, 2011, the Authority had no capital assets.

**Debt Administration**

As of June 30, 2011, the Authority had no outstanding debt.

**Economic Factors**

The Authority was established to engage in regional and cooperative planning and coordination of governmental services to establish a wide-area interoperable public safety communications network (commonly referred to as the "Los Angeles Regional Interoperable Communication Systems (LA-RICS)"). The Authority is a collaborative effort of local government, law enforcement, fire service, and health professionals with elected and appointed officials working towards the common goal to develop LA-RICS.

The Authority is the recipient of the Broadband Technology Opportunity Program (BTOP) grant administered by the Department of Commerce (DOC) to fund its proposed public safety broadband network. The grant will continue to be administered by DOC in Fiscal Year 2011-2012.

The following LA-RICS activity is anticipated for Fiscal Year 2011- 2012:

- The selection of an Environmental Services Contractor for the mobile broadband data system. The process has now concluded and the Authority has signed a three year contract totaling approximately \$1.5 million.
- We anticipate executing a contract for Project Management services in March 2012.
- The contract cost for the LTE broadband mobile data system will be reimbursable under the Broadband Technology Opportunities (BTOP) grant award.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011  
(Continued)**

**Contacting the Authority's Financial Management**

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**BALANCE SHEET**

June 30, 2011

Assets

Cash and investments (Note 3)	\$ 914,134
Interest receivable	2,130
Accounts receivable (Note 4)	264,039
Total assets	<u>\$ 1,180,303</u>

Liabilities and Fund Balance

Accounts payable	\$ 102,906
Loans payable (Note 5)	1,166,307
Total liabilities	<u>1,269,213</u>
Fund balance – unassigned (Note 2)	(88,910)
Total liabilities and fund balance	<u>\$ 1,180,303</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2011**

Revenues

Federal grants	\$ 1,095,026
Local match (Note 7)	538,693
Contribution from other governmental agencies	133,693
Interest income	<u>5,426</u>
Total revenues	<u>1,772,838</u>

Expenditures

Consultants' services	1,281,314
Donated services (Note 7)	538,693
Travel and transportation	27,661
Personnel services	2,192
Miscellaneous	<u>11,888</u>
Total expenditures	<u>1,861,748</u>

Excess (deficiency) of revenues over expenditures (88,910)

Fund balance, beginning of year -

Fund balance, end of year \$ (88,910)

See accompanying notes to the basic financial statements.