



# Los Angeles County Metropolitan Transportation Authority

FY2023 Annual Financial and Compliance Audits

Finance, Budget and Audit Committee

March 20, 2024

# Agenda

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Audit Deliverables

Audit Results

Required Communications

Questions?

# Audit Deliverables

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## Financial Audits

- Audit of the LACMTA Annual Comprehensive Financial Report (ACFR)
- Audit of the Service Authority for Freeway Emergencies (SAFE)
- Audit of the LACMTA State Transit Assistance fund (STA)

## Compliance and Other Audits

- LACMTA Single Audit
- Transportation Development Act Compliance
  - California Code of Regulations Section 6667
  - California Code of Regulations Section 6640-6662
  - Low Carbon Transit Operations Program (LCTOP)
- National Transit Database Report on Federal Funding Allocation Statistics Form (NTD FFA-10)

# Audit Results

Opinions on Financial Statements	• Unmodified
Opinion on Uniform Guidance Compliance for Major Programs	• Unmodified
Internal Control or Compliance Findings	• None
New Accounting Pronouncements	• GASB 91 – Conduit Debt Obligations; GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements; GASB 96 – Subscription Based Information Technology Arrangements
Corrected Misstatements	• None
Uncorrected Misstatements	• Two passed adjustments – total net position understated by \$43M *

\* One passed adjustment is related to not recording LCFS credits at their estimated fair value. As a result, approximately \$43M will be recognized when the credits are sold. The second passed adjustment is related to RTAP cash and accounts payable that should be reported in the fiduciary fund instead of the enterprise fund. As a result, the enterprise fund net position should be approximately \$6M lower and the fiduciary fund net position should be \$6M higher.

# Required Communications

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- Management's Responsibility – Preparation of the financial statements
- Auditor's Responsibility – Provide an opinion on the financial statements
- We remain independent of Metro
  
- No instances of noncompliance or other matters required to be reported
- No significant unusual transactions
- No significant accounting policies in controversial or emerging areas
- No significant difficulties encountered
- No disagreements with management
- Not aware of management consulting with other accountants
- No other findings or issues



# Thank You

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