



Board Report

File #: 2017-0220, File Type: Informational Report

Agenda Number: 11.

FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 19, 2017

SUBJECT: BASIC FINANCIAL STATEMENTS AND COMPONENT AUDITS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the **Los Angeles County Metropolitan Transportation Authority's (LACMTA) basic financial statements and component financial statement audits** completed by Crowe Horwath LLP (Crowe) for the fiscal year ended June 30, 2016.

ISSUE

LACMTA is required to be audited annually by independent certified public accountants. The resulting reports include Metro's basic financial statements and component audits for the year ended June 30, 2016:

- Independent Auditors' Report on the LACMTA's basic financial statements which include the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of LACMTA for the year ended June 30, 2016;
- Independent auditors' SAS 114 letter covering required audit communications;
- LACMTA Single Audit Report Fiscal year ended June 30, 2016 which include:
 - Independent Auditors' 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*; and
 - Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards as Required by the Uniform Guidance;
- Independent Accountants' Report on Applying Agreed-Upon Procedures on the LACMTA's Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154) for the fiscal year ended June 30, 2016;
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance with the California Code of Regulations (Section 6667) and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Report on 50% Expenditure Limitation Schedule for the LACMTA Transportation Development Act Operations Agency for the year ended June 30, 2016;

- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance with the California Code of Regulations (Section 6640-6662) and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Report on Schedule of Revenues, Expenditures, and Changes in Fund Balances for the LACMTA Transportation Development Act & Prop 1B PTMISEA Planning Agency for the year ended June 30, 2016;
- Independent Auditors' Report on the LACMTA State Transit Assistance Special Revenue Fund's basic financial statements as of and for the years ending June 30, 2016 and 2015;
- Independent Auditors' Report on the Crenshaw Project Corporation (A Component Unit of LACMTA) basic financial statements as of June 30, 2016;
- Independent Auditors' Report on the Service Authority for Freeway Emergencies' (A Component Unit of LACMTA) financial statements for the years ending June 30, 2016 and 2015; and
- Independent Auditor's Report on Compliance with Rules and Regulations of the Low Carbon Transit Operations Program (LCTOP) and Report on Internal Control over Compliance for LACMTA's compliance with the LCTOP Guidelines for the year ended June 30, 2016.

DISCUSSION

The basic financial statements include our audited financial statements, supplemental information and an unmodified opinion from Crowe, the independent auditor. Crowe issued an unmodified opinion on all audit reports. There were no findings identified on any of the audit reports.

Due to the considerable size of the document, we have not attached the basic financial statements. Instead, as a savings measure a hard copy of the Basic Financial Statements is on file with the Board Secretary and is also available on the Metro website.

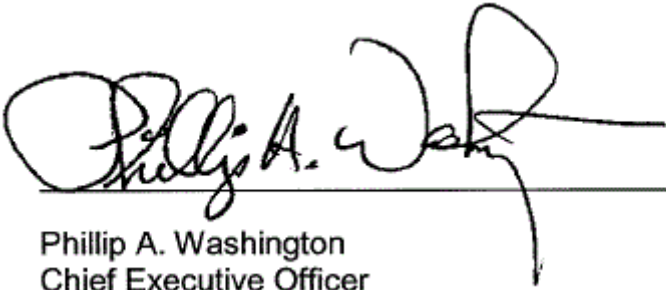
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ATTACHMENT(S)

- A. Independent auditors' SAS 114 letter;
- B. Single Audit Reports for the fiscal year ended June 30, 2016;
- C. Federal Funding Allocation Data Transportation Operating Agency for the fiscal year ended June 30, 2016;
- D. Transportation Development Act Operations Agency Year ended June 30, 2016;
- E. Transportation Development Act & Prop 1B PTMISEA Planning Agency for the year ended June 30, 2016;
- F. State Transit Assistance Special Revenue Fund Basic Financial Statements June 30, 2016 and 2015;
- G. Crenshaw Project Corporation Financial Statements for the year ended June 30, 2016;
- H. Service Authority for Freeway Emergencies Financial Statements and Other Supplementary Information June 30, 2016 and 2015;
- I. Independent Auditor's Report on compliance with the Low Carbon Transit Operations Program (LCTOP) for the year ended June 30, 2016

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