

**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

SINGLE AUDIT REPORT

Fiscal year ended June 30, 2020

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY
Los Angeles, California

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Fiscal year ended June 30, 2020

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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*

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Los Angeles County Metropolitan Transportation Authority (LACMTA) as of and for the fiscal year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise LACMTA's basic financial statements, and have issued our report thereon dated December 17, 2020. Our report includes a reference to other auditors who audited the financial statements of the defined benefit pension plan financial statements of the Los Angeles County Metropolitan Transportation Authority Retirement Income Plans, as described in our report on LACMTA's financial statements. The financial statements of the defined benefit pension plan of the Los Angeles County Metropolitan Transportation Authority Retirement Income Plans were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered LACMTA's internal control over financial reporting (internal control) as a basis for designing 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 LACMTA's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LACMTA's financial statements are free from 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 financial statements. 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.

Crowe LLP
Crowe LLP

Los Angeles, California
December 17, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Los Angeles County Metropolitan Transportation Authority's (LACMTA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of LACMTA's major federal programs for the fiscal year ended June 30, 2020. LACMTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of LACMTA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 compliance for each major federal program. However, our audit does not provide a legal determination of LACMTA's compliance.

Opinion on Each Major Federal Program

In our opinion, LACMTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2020.

(Continued)

Report on Internal Control over Compliance

Management of LACMTA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LACMTA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of LACMTA as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise LACMTA's basic financial statements. We issued our report thereon dated December 17, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Crowe LLP

Los Angeles, California
December 17, 2020

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2020

Federal grantor/cluster title/program title/pass-through grantor/project title	CFDA Number	Direct Program and Pass-through Grant Identifying Number	Total Award	Total	Federal Share	Federal share passed through to subrecipients	State Share	Local Share
Federal Grants								
U.S. Department of Transportation								
Federal Transit Administration								
Passed through State of California Department of Transportation:								
Highway Planning and Construction Cluster								
Highway Planning and Construction								
Union Station Master Plan: Alameda Esplanade	20.205	07-6065F15-F022	\$ 2,150,000	\$ 830,676	\$ 502,355	\$ -	\$ -	\$ 328,321
Freight Advanced Traveler Information System (FRATIS)	20.205	ATCMTDL-6065(218)	3,000,000	2,394,984	1,197,492	-	-	1,197,492
Direct Programs:								
Pedestrian and Pedestrian Mobility	20.205	CA-15-X005	800,000	17,667	17,667	17,667	-	-
Reconstruct Cabrillo Mole Terminal	20.205	CA-70-X017	2,400,000	2,379,255	1,903,404	1,903,404	-	475,851
Cabrillo Mole Ferry Terminal	20.205	CA-2019-121	3,230,946	161,547	129,238	129,238	-	32,309
I-605/SR-91 Interchange Improvements	20.205	07-5186	26,000,000	2,658,175	1,993,631	-	664,544	-
Highway Planning and Construction Cluster Total			<u>37,580,946</u>	<u>8,442,304</u>	<u>5,743,787</u>	<u>2,050,309</u>	<u>664,544</u>	<u>2,033,973</u>
Direct Programs:								
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program								
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program - Westside Purple Line Extension - Section 1	20.223	2013-1009A	856,000,000	258,540,026	258,540,026	-	-	-
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program - Regional Connector	20.223	2013-1008A	160,000,000	6,177,949	6,177,949	-	-	-
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program - Westside Purple Line Extension - Section 2	20.223	2013-1003A	307,000,000	100,000,000	100,000,000	-	-	-
TIFIA Program Total			<u>1,323,000,000</u>	<u>364,717,975</u>	<u>364,717,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
Direct Programs:								
Federal Transit Cluster:								
Federal Transit Capital Improvement Grants:								
Metro Rapid System Gap Closure	20.500	CA-03-0796	16,700,000	827,511	537,882	-	-	289,629
Trans Ctr / Bus Park & Shelters	20.500	CA-04-0088	5,570,560	553,275	442,620	442,620	-	110,655
Transit Centers & Expansion Buses	20.500	CA-04-0161	1,971,404	679,034	563,598	563,598	-	115,436
Regional Connector Transit Corridor	20.500	CA-2016-046	400,000,000	133,204,208	79,331,209	-	-	53,872,999
Passenger and Pedestrian Enhancements	20.500	CA-04-0067	2,502,232	64,241	51,393	51,393	-	12,848
Westside Purple Line Ext. - Section 1	20.500	CA-2016-017	400,000,000	21,285,101	105,306,664	-	-	(84,021,563)
Wilshire Blvd Bus-Only Lane	20.500	CA-03-0815	23,317,000	18,959	51,547	-	-	(32,588)
Westside Purple Line Ext. - Section 2 CMAQ	20.500	CA-2016-045	169,000,000	(20,641,186)	35,200,787	-	-	(55,841,973)
Westside Purple Line Extension 2 -FFGA	20.500	CA-2016-047	400,000,000	150,473,258	98,721,242	-	-	51,752,016
Westside Purple Line Extension 3 -FFGA	20.500	CA-2019-170	200,000,000	389,350,939	153,130,374	-	-	236,220,565
Los Angeles Union Station/Cesar Chavez Bus Stop	20.500	CA-2016-123	1,668,557	1,860,469	1,486,708	-	-	373,761
MAP-21 Section 20005(b) West Santa Ana Branch Transit Corridor TOD Strategic Implementation Plan	20.500	CA-2017-044	2,000,000	97,765	78,212	-	-	19,553
Federal Transit - Capital Improvement Grants Total			<u>1,622,729,753</u>	<u>677,773,574</u>	<u>474,902,236</u>	<u>1,057,611</u>	<u>-</u>	<u>202,871,338</u>
Federal Transit - Formula Grants:								
Metro Rapid Bus Stations/Signal Priority	20.507	CA-90-Y261	28,919,529	3,909	3,909	-	-	-
Metro Rapid Bus Program	20.507	CA-90-Y457	11,081,700	329,794	329,794	-	-	-
Crenshaw /LAX Transit Project-CMAQ	20.507	CA-2020-018	50,000,000	56,149,235	50,000,000	-	-	6,149,235
Regional Connector - Construction	20.507	CA-95-X251	64,000,000	5,266,668	4,662,581	-	-	604,087
FY19 Section 5307 Patsaouras Plaza	20.507	CA-2020-042	1,228,428	1,535,535	1,228,428	-	-	307,107
Systemwide Light Rail Vehicles	20.507	CA-2016-026	94,930,000	51,822,956	32,755,441	-	-	19,067,515
Pass / Ped. Enhancements and Improvements	20.507	CA-95-X227	2,996,000	161,389	129,111	129,111	-	32,278
Subrecipient Bus Procurement	20.507	CA-95-X329	6,952,873	998,870	799,096	799,096	-	199,774
Glendale Beeline CNG Mntc/Admn. Facility	20.507	CA-95-X061	3,650,000	3,369,483	2,695,586	2,695,586	-	673,897
Willowbrook/Rosa Parks Pedestrian Promenade & Bike Mobility Hub	20.507	CA-2020-070	2,221,778	2,777,223	2,221,778	-	-	555,445
Signage and Lighting for Bus Stops	20.507	CA-2016-025	733,533	250,417	200,335	-	-	50,082
LA0G1162 Airport Metro Connector and Crenshaw /LAX Accommodations near 96th Street/Aviation Blvd	20.507	CA-2016-062	35,649,778	6,680,642	6,637,144	-	-	43,498
Glendale Beeline CNG Mntc/Admn. Facility	20.507	CA-2018-095	2,267,538	2,030,260	2,001,227	2,001,227	-	29,033
FY18/19 Section 5307 for Bus Preventive Maintenance and Bus Acquisition	20.507	CA-2019-134	166,573,833	166,670,738	166,573,833	-	-	96,905
5337 & 5307/5340 LA Metro FY19 Rail Preventive Maintenance	20.507	CA-2019-128	8,712,652	8,712,652	8,712,652	-	-	-
FY2020 Section 5307 for Bus Preventive Maintenance	20.507	CA-2020-122	156,665,851	195,832,314	156,665,851	-	-	39,166,463
FY2020 CMAQ and RSTP Bus Acquisition	20.507	CA-2020-139	150,500,000	30,207,794	26,742,960	-	-	3,464,834
Federal Transit - Formula Grants Total			<u>787,083,493</u>	<u>532,799,879</u>	<u>462,359,726</u>	<u>5,625,020</u>	<u>-</u>	<u>70,440,153</u>

See accompanying notes to the schedule of expenditures of federal and state awards.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2020

Federal grantor/cluster title/program title/pass-through grantor/project title	CFDA Number	Direct Program and Pass-through Grant Identifying Number	Total Award	Total	Federal Share	Federal share passed through to subrecipients	State Share	Local Share
State of Good Repair Grants Program								
5337 LA Metro Rail Vehicle Midlife Overhauls	20.525	CA-2018-031	\$ 86,251,460	\$ 21,329,599	\$ 17,063,679	\$ -	\$ -	\$ 4,265,920
5337 LA Metro FY20 Rail Preventive Maintenance	20.525	CA-2020-138	110,478,440	138,098,050	110,478,440	-	-	27,619,610
5337 & 5307/5340 LA Metro FY 19 Rail Preventive Maintenance	20.525	CA-2019-128	115,000,000	115,000,000	115,000,000	-	-	-
State of Good Repair Grants Program Total			<u>311,729,900</u>	<u>274,427,649</u>	<u>242,542,119</u>	<u>-</u>	<u>-</u>	<u>31,885,530</u>
Bus and Bus Facilities Formula Program								
Section 5339 Bus Overhauls	20.526	CA-2019-056	68,782,636	37,988,705	30,506,918	-	5,667,717	1,814,070
5339 Fareboxes and Equipment for the City of Glendale	20.526	CA-2017-058	1,132,000	56,615	40,639	40,639	-	15,976
Bus and Bus Facilities Formula Program Total			<u>69,914,636</u>	<u>38,045,320</u>	<u>30,547,557</u>	<u>40,639</u>	<u>5,667,717</u>	<u>1,830,046</u>
Federal Transit Cluster Total			<u>2,791,457,782</u>	<u>1,523,046,422</u>	<u>1,210,351,638</u>	<u>6,723,270</u>	<u>5,667,717</u>	<u>307,027,067</u>
Transit Services Programs Cluster								
Enhanced Mobility of Seniors and Individual with Disabilities								
Enhanced Mobility of Seniors and Individuals with Disability Program 5310 All	20.513	CA-16-X066	7,595,651	371,454	241,213	241,213	-	130,241
30-ft Bus Procurement	20.513	CA-16-X067	7,072,604	173,120	173,120	-	-	-
L.A. County Section 5310 Program Administration	20.513	CA-2018-029	1,043,894	327,742	327,742	-	-	-
LA County Section 5310 All Subrecipients FY 17	20.513	CA-2018-065	9,207,811	5,069,178	4,255,385	4,154,980	-	813,793
Enhanced Mobility of Seniors and Individual with Disabilities Total			<u>24,919,960</u>	<u>5,941,494</u>	<u>4,997,460</u>	<u>4,396,193</u>	<u>-</u>	<u>944,034</u>
Job Access and Reverse Commute Program								
L A County Job Access and Reverse Commute Program, Administration, FY 06-12	20.516	CA-37-X071	5,032,849	516,197	516,197	-	-	-
Job Access and Reverse Commute Program, Project - LA County Job Access and Program Project	20.516	CA-37-X100	10,343,881	2,076,989	1,120,727	425,277	-	956,262
Job Access and Reverse Commute - Capital/Operating Assist.	20.516	CA-37-X123	13,878,024	1,304,163	1,107,232	1,107,232	-	196,931
LA County Job Access and Program Project - Capital/Operating Assist.	20.516	CA-37-X171	7,711,637	364,618	345,274	-	-	19,344
Job Access and Reverse Commute Program			<u>36,966,391</u>	<u>4,261,967</u>	<u>3,089,430</u>	<u>1,877,783</u>	<u>-</u>	<u>1,172,537</u>
New Freedom Program								
New Freedom - Program Adm. FY06-12	20.521	CA-57-X003	2,152,346	233,590	233,590	-	-	-
New Freedom - Capital & Operating, Assistance	20.521	CA-57-X100	7,354,678	1,072,005	770,215	770,215	-	301,790
New Freedom - Capital & Operating, Assistance	20.521	CA-57-X084	8,702,026	860,934	812,236	812,236	-	48,698
New Freedom Program Total			<u>18,209,050</u>	<u>2,166,529</u>	<u>1,816,041</u>	<u>1,582,451</u>	<u>-</u>	<u>350,488</u>
Transit Services Programs Cluster Total			<u>80,095,401</u>	<u>12,369,990</u>	<u>9,902,931</u>	<u>7,856,427</u>	<u>-</u>	<u>2,467,059</u>
Research and Development Cluster								
Public Transportation Research, Technical Assistance, and Training								
FY16 Demonstration of Collision Avoidance and Mitigation Technologies on Los Angeles Metro Bus Service	20.514	CA-2017-055	1,450,000	293,695	212,929	-	-	80,766
Platform Track Intrusion Detection Demo	20.514	CA-26-7015	1,722,400	222,104	96,377	-	-	125,727
LA County and Puget Sound First / Last Mile Partnership with Lyft	20.514	CA-2017-018	1,350,000	1,900,693	883,920	-	-	1,016,773
Foothill Transit & LACMTA FY15 Section 5312 LONO	20.514	CA-2017-089	5,585,000	24,285,115	4,137,391	-	-	20,147,724
Public Transportation Research, Technical Assistance, and Training Total			<u>10,107,400</u>	<u>26,701,607</u>	<u>5,330,617</u>	<u>-</u>	<u>-</u>	<u>21,370,990</u>
Federal Transit Administration Total			<u>4,242,241,529</u>	<u>1,935,278,298</u>	<u>1,596,046,948</u>	<u>16,630,006</u>	<u>6,332,261</u>	<u>332,899,089</u>
Office of the Secretary								
National Infrastructure Investments								
Willowbrook/Rosa Parks Station Improvements	20.933	CA-2016-010	10,250,000	25,864,755	2,465,231	-	-	23,399,524
U.S. Department of Transportation Total			<u>4,252,491,529</u>	<u>1,961,143,053</u>	<u>1,598,512,179</u>	<u>16,630,006</u>	<u>6,332,261</u>	<u>356,298,613</u>
U.S. Department of Homeland Security:								
Direct Programs								
Rail and Transit Security Grant Program								
Transit Security Grant Program	97.075	EMW-2016-RA-00024-S01	1,130,800	1,064,409	904,257	-	-	160,152
Transit Security Grant Program	97.075	EMW-2019-RA-0019	7,208,108	25,098	25,098	-	-	-
U.S. Department of Homeland Security Total			<u>8,338,908</u>	<u>1,089,507</u>	<u>929,355</u>	<u>-</u>	<u>-</u>	<u>160,152</u>
Total Federal Grants			<u>\$4,260,830,437</u>	<u>\$1,962,232,560</u>	<u>\$1,599,441,534</u>	<u>\$ 16,630,006</u>	<u>\$ 6,332,261</u>	<u>\$ 356,458,765</u>

See accompanying notes to the schedule of expenditures of federal and state awards.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2020

Federal grantor/cluster title/program title/pass-through grantor/project title	CFDA Number	Direct Program and Pass-through Grant Identifying Number	Total Award	Total	Federal Share	Federal share passed through to subrecipients	State Share	Local Share
State Grants:								
Prop 1B Security - FY 09-10		6261-0002	\$ 16,103,043	\$ 10,036	\$ -	\$ -	\$ 10,036	\$ -
Prop 1B Security - FY 11-12		6461-0002	16,103,043	5,246,127	-	-	5,246,127	-
Regional Rail Planning		HSR 14-28	750,000	517	-	-	517	-
Permeable Pavement and Bioretention Pilot Program, LACMTA Division 4 Maintenance Facility		14-440-550	752,000	66,856	-	-	65,530	1,326
Blue Line Light Rail Signal Improvement Project		07LACMTAPS-01-A1	38,494,000	24,082,427	-	-	10,793,400	13,289,027
LCTOP_Metro Exposition (Expo) Phase 2 Operations		18-19-D07-128	14,805,577	14,805,577	-	-	14,805,577	-
LCTOP_Metro Gold Line Foothill Extension Phase 2A Operations		18-19-D07-129	21,807,311	21,807,311	-	-	21,807,311	-
Los Angeles - San Fernando Valley North-South Bus Transit		07A0034-05 A11	27,000,000	18,065,831	-	-	18,065,831	-
ROSA PARKS-MEZZANINE		07A0034-17 A1	14,808,000	11,383,625	-	-	5,596,695	5,786,930
STIP-PPM FY 2017-2018		STIP-PPM18-6065(224)	4,995,000	4,995,000	-	-	4,995,000	-
West Santa Ana Branch Transit Corridor (WSAB)		07A0034-18	18,500,000	16,841,547	-	-	4,154,384	12,687,163
TAP FAREBOX UPGRADE		07A0034-19	22,500,000	(6,502,372)	-	-	(3,251,186)	(3,251,186)
TAP FAREBOX UPGRADE		07A0034-19A1	14,299,000	22,168,087	-	-	11,084,044	11,084,043
TAP FAREBOX UPGRADE		07A0034-20 A1	5,000,000	7,116,339	-	-	3,558,170	3,558,169
Greenhouse Gas Reduction Funds (GGRF)		ATPL-6065(221)	2,287,000	1,143,452	-	-	1,143,452	-
Greenhouse Gas Reduction Funds (GGRF)		ATPLN-6065(222)	259,000	64,313	-	-	64,313	-
Rosecrans/Marquardt Grade Separation Project		HSR17-19	76,665,000	11,081,447	-	-	5,540,724	5,540,723
STIP-PPM FY 2018-2019		STIP-PPM19-6065(233)	2,309,000	160,709	-	-	160,709	-
SR-57/60 Confluence Choke Point		07-5124	17,000,000	11,668,881	-	-	7,934,839	3,734,042
Division 20 Turnback and Portal Widening		07LACMTAPS-02	5,009,000	3,101,000	-	-	3,101,000	-
Total State Grants			<u>\$ 319,445,974</u>	<u>\$ 167,306,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,876,473</u>	<u>\$ 52,430,237</u>

See accompanying notes to the schedule of expenditures of federal and state awards.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Fiscal year ended June 30, 2020

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal and state awards (the Schedule) presents the grant activity of all expenditures of federal and state award programs of the Los Angeles County Metropolitan Transportation Authority (LACMTA) in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the Schedule. The Schedule also includes state grants that do not participate in the federal awards. LACMTA is the reporting entity as defined in Note 1 to the financial statements of LACMTA's basic financial statements.

NOTE 2 – BASIS OF PRESENTATION

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. LACMTA has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – STATE AND LOCAL FUNDS REIMBURSEMENT

LACMTA utilizes state and local funds when federal funds are not received in a timely manner. Upon receipt of federal funds, LACMTA reimburses state and local funds that were utilized for expenditures for federal programs. Reimbursements are shown as credit balances in the Schedule. Expenditures incurred during the current fiscal year, but before a federal grant is executed are included as state or local on the Schedule in the year the expenditures are incurred and are reported as federal on the Schedule in the year the grant was executed.

NOTE 4 – FEDERAL FINANCIAL ASSISTANCE

Pursuant to the Single Audit Act and Uniform Guidance Compliance Supplement, the federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

NOTE 5 – MAJOR PROGRAMS

The Single Audit Act and Uniform Guidance establish criteria to be used in defining major federal financial assistance programs. Major programs for LACMTA are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

(Continued)

**NOTE 6 – TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)
PROGRAM LOANS**

LACMTA has entered into four Transportation Infrastructure Finance and Innovation Act (TIFIA) loan agreements with the United States Department of Transportation for a total amount not to exceed \$1,868,900,000 to finance portions of the Crenshaw/LAX Corridor Project, Regional Connector Transit Corridor Project, and Westside Purple Line Extension Sections 1 and 2 Projects. Total TIFIA loan draws during the fiscal year ended June 30, 2020 totaled \$364,717,975. As of June 30, 2020, the outstanding balance on all TIFIA loans was \$1,757,820,283.

NOTE 7 – PRIOR YEAR EXPENDITURES

With the release of Government Accounting Standards Board (GASB) Implementation Guide No. 2019-1, *Implementation Guidance Update – 2019*, management changed their method of accounting for recognition of non-exchange revenue. Expenditure-driven grant provisions are determined to be a stipulation that is considered to be an eligibility requirement and as such, revenue cannot be recognized until the agreement has been executed. As a result, \$364,790,000 of federal grants and \$3,100,000 of state grants that were previously reported on the Schedule for the year ending June 30, 2019 are included again on the Schedule for the year ending June 30, 2020 since the corresponding grant revenue is now being recognized as federal and state grant revenue in fiscal year 2020 under the newly adopted accounting principle. The \$367,890,000 of expenditures were incurred in fiscal year 2019.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal year ended June 30, 2020

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA 20.205

Highway Planning and Construction Cluster

CFDA 20.500 / 20.507 / 20.525 / 20.526

Federal Transit Cluster

CFDA 20.514

Public Transportation Research, Technical Assistance, and Training

Dollar threshold used to distinguish type A and B programs:

 \$ 4,798,325

Auditee qualified as low-risk auditee?

 X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.
