



**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
STATE TRANSIT ASSISTANCE
SPECIAL REVENUE FUND**

**Financial Statements
Fiscal Years Ended June 30, 2019 and 2018**

**LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
STATE TRANSIT ASSISTANCE
SPECIAL REVENUE FUND**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the State Transit Assistance Fund (the STA Fund), a special revenue fund of the Los Angeles County Metropolitan Transportation Authority (LACMTA), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of the STA Fund, of the LACMTA, as of June 30, 2019 and 2018, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the STA Fund and do not purport to, and do not, present fairly the financial position of the Los Angeles County Metropolitan Transportation Authority, as of June 30, 2019 and 2018, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis, budgetary comparison information, schedule of allocations, and schedule of expenditures and transfers are presented for purposes of additional analysis and are not a required part of the financial statements.

The management's discussion and analysis, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the management's discussion and analysis is fairly stated, in all material respects, in relation to the financial statements as a whole.

The budgetary comparison information, schedule of allocations, and schedule of expenditures and transfers, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019 on our consideration of the STA Fund'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 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 the STA Fund's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Los Angeles, California
December 10, 2019

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*

The 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 State Transit Assistance Fund (the STA Fund), a special revenue fund of the Los Angeles County Metropolitan Transportation Authority (LACMTA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the STA Fund's financial statements, and have issued our report thereon dated December 10, 2019. As discussed in Note 1, the financial statements present only the STA Fund and do not purport to, and do not, present fairly the financial position of LACMTA, the changes in its financial position, or where applicable, its cash flows in conformity with accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the STA Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the STA Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the STA Fund'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the STA Fund's financial statements are 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 financial statement amounts. 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 over financial reporting 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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Los Angeles, California
December 10, 2019

Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund
Management's Discussion and Analysis (Unaudited)
Fiscal years ended June 30, 2019 and 2018

The Los Angeles County Metropolitan Transportation Authority's State Transit Assistance Special Revenue Fund (the STA Fund) was created in accordance with the provisions of the Transportation Development Act (the Act) as administered by the Department of Transportation of the State of California (the State). Sales tax revenues of the STA Fund represent an allocation of sales tax on diesel and gas fuel collected by the California Department of Tax and Fee Administration. Expenditures from the STA Fund are made by Los Angeles County (the County) in accordance with written instructions issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under the terms of the Act.

Our discussion and analysis of STA Fund's financial performance presents an overview of the STA Fund's financial activities during the fiscal years ended June 30, 2019 and 2018. We encourage readers to consider information presented here in conjunction with the financial statements (beginning on page 8). The financial statements, notes to the financial statements, and this discussion and analysis were prepared by management and are the responsibility of the management.

All amounts are expressed in thousands of dollars unless otherwise indicated.

2019 Financial Highlights

- Sales tax collected for the year increased by \$44,932 or 29.77% compared with prior year primarily due to increase in the price of diesel and gasoline fuel in addition to the passage of Senate Bill 1 (SB 1) which increased the excise tax rates for motor vehicle and diesel fuel, and also increased the additional statewide sales and use tax rate effective November 1, 2017.
- Actual sales tax received from the State totaled \$195,872 compared with original and final budget of \$150,487 resulting in a favorable variance of \$45,385.
- Total other financing uses of funds increased by \$144,444 or 294.74% compared with the prior year primarily due to an increase in State allocation received and made available to subsidize LACMTA Enterprise Fund for bus and rail operation and maintenance and transportation subsidies to cities/other agencies.

2018 Financial Highlights

- Sales tax collected for the year increased by \$76,913 or 103.90% compared with prior year. The increase was mainly due to additional sales tax received from the passage of Senate Bill 1 (SB 1) with an increase in diesel and gas taxes starting November 1, 2017.
- Actual sales tax received from the State totaled \$150,940 compared to original and final budget of \$60,000 resulting in a favorable variance of \$90,940 mainly due to the supplemental allocations received with the passage of Senate Bill 1 (SB 1) that were not budgeted during the fiscal year 2018.

Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund
Management's Discussion and Analysis (Unaudited)
Fiscal years ended June 30, 2019 and 2018

Total other financing uses of funds increased by \$11,480 or 30.59% compared with prior year brought about by an increase in State allocation received and made available to subsidize the LACMTA Enterprise Fund for bus and rail operation and maintenance.

Overview of Financial Statements

This discussion and analysis serves as an introduction to the financial statements. The STA Fund's financial statements consisted of two components: (1) the fund financial statements, and (2) the notes to the financial statements. This report also contains other supplementary information in addition to the financial statements.

The condensed balance sheets show the STA Fund's assets and liabilities as of June 30, 2019, 2018, and 2017. The differences between the assets and liabilities are reported as fund balances. The fund balance may serve as a useful indicator of the STA Fund's financial health.

The comparative statements of revenues, expenditures and changes in fund balance for the fiscal years show the underlying events or activities of the fund that impacted the fund balances.

Condensed Balance Sheets

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total assets	\$ 103,909	\$ 114,973	\$ 33,829
Total liabilities	24,038	9,544	24,224
Fund balances	<u>79,871</u>	<u>105,429</u>	<u>9,605</u>
Total liabilities and fund balances	<u>\$ 103,909</u>	<u>\$ 114,973</u>	<u>\$ 33,829</u>

Total assets decreased by \$11,064 or 9.62% as of June 30, 2019 compared to June 30, 2018 primarily due to an increase in drawdown from cities/other agencies and subsidies to Enterprise funds for its operation and rail maintenance operations. Total liabilities increased by \$14,494 or 151.87% as of June 30, 2019 compared to June 30, 2018 mainly due to the increase in accrual of subsidies to LACMTA Enterprise fund for its bus and rail operation and maintenance.

Total assets increased by \$81,144 or 239.87% as of June 30, 2018 compared to June 30, 2017 primarily due to higher allocation and larger receivable accrued in FY18 compared to the prior year. Total liabilities decreased by \$14,680 or 60.60% as of June 30, 2018 compared to June 30, 2017 mainly due to the disbursement in FY17 of the amounts due to Enterprise Fund for its operating and capital expenses.

Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund
Management's Discussion and Analysis (Unaudited)
Fiscal years ended June 30, 2019 and 2018

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues	\$ 197,998	\$ 151,635	\$ 74,170
Expenditures and other financing uses of funds	<u>(223,556)</u>	<u>(55,811)</u>	<u>(51,471)</u>
Net change in fund balances	(25,558)	95,824	22,699
Fund balances – beginning of year	<u>105,429</u>	<u>9,605</u>	<u>(13,094)</u>
Fund balances – end of year	<u><u>\$ 79,871</u></u>	<u><u>\$ 105,429</u></u>	<u><u>\$ 9,605</u></u>

Total revenues increased \$46,363 or 30.58% during fiscal year 2019 compared to fiscal year 2018 primarily due to an increase in investment income with favorable interest yield and the increase in the price of gasoline and diesel fuel tax with Senate Bill 1 (SB 1) that went into effect in November 1, 2017. Expenditures and other financing uses increased \$167,745 or 300.56% during fiscal 2019 compared to fiscal year 2018 mainly due to an increase in claims for transportation subsidies by cities/other agencies and by LACMTA Enterprise fund for its bus and rail operations where fiscal year 2018 allocations were programmed together in fiscal year 2019.

Total revenues increased by \$77,465 or 104.44% during fiscal year 2018 compared to fiscal year 2017 primarily due to the supplemental sales tax allocations received from the State as a result of the passage of Senate Bill 1 (SB 1). Expenditures and other financing uses increased by \$4,340 or 8.43% during fiscal 2018 compared to fiscal year 2017 mainly due to higher bus and rail operating subsidies to the LACMTA Enterprise Fund.

Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund
Balance Sheets
June 30, 2019 and 2018
(Amounts expressed in thousands)

	2019	2018
Assets		
Cash and cash equivalents	\$ 51,400	\$ 66,803
Interest receivable	439	266
Sales tax receivable	52,070	47,866
Due from other funds	—	38
Total assets	103,909	114,973
Liabilities		
Accounts payable and accrued liabilities	611	2,655
Due to other funds	23,427	6,889
Total liabilities	24,038	9,544
Fund balances		
Restricted	79,871	105,429
Total liabilities and fund balances	\$ 103,909	\$ 114,973

See accompanying notes to financial statements.

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Statements of Revenues, Expenditures, and Changes in Fund Balances
Fiscal years ended June 30, 2019 and 2018
(Amounts expressed in thousands)

	2019	2018
Revenues:		
Sales tax	\$ 195,872	\$ 150,940
Investment income	2,126	695
Total revenues	197,998	151,635
Expenditures:		
Transportation subsidies	30,104	6,803
Excess of revenues over expenditures	167,894	144,832
Other financing uses:		
Transfers out	(193,452)	(49,008)
Net change in fund balances	(25,558)	95,824
Fund balances - beginning of year	105,429	9,605
Fund balances - end of year	\$ 79,871	\$ 105,429

See accompanying notes to financial statements.

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Notes to Financial Statements
June 30, 2019 and 2018

1. Summary of Significant Accounting Policies

(a) General Description

The Los Angeles County Metropolitan Transportation Authority's State Transit Assistance Special Revenue Fund (the STA Fund) was created in accordance with the provisions of the Transportation Development Act (the Act) as administered by the Department of Transportation of the State of California (the State). Sales tax revenues of the STA Fund represent an allocation of retail sales tax on diesel and gas fuel collected by the California Department of Tax and Fee Administration. Expenditures from the STA Fund are made by Los Angeles County (the County) in accordance with written instructions issued by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under the terms of the Act.

(b) Basis of Accounting

The STA Fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, LACMTA considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred and a valid claim is presented. Transportation subsidies are recorded when all of the eligibility requirements have been met, including the receipt of the reimbursement request.

(c) 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. The STA Fund is considered a governmental fund. The measurement focus is the determination of changes in financial position, rather than net income determination. Additionally, the STA Fund is considered a special revenue governmental fund. Special revenue funds are used to account for proceeds of specific revenue sources including sales tax that are legally restricted to expenditures for specified purposes.

(d) Financial Statement Presentation

The accompanying financial statements present only the STA Fund and do not purport to, and do not, present fairly the financial position of the LACMTA as of June 30, 2019 and 2018, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Notes to Financial Statements
June 30, 2019 and 2018

(e) Cash and Cash Equivalents

The STA Fund's cash and cash equivalents include deposits with the Los Angeles County Investment Pool (LACIP). The STA Fund is an involuntary participant in the LACIP.

(f) Sales Tax Receivable

Sales tax receivables represent uncollected amounts from the allocation of retail sales tax on diesel fuel and gas fuel collected by the California Department of Tax and Fee Administration. As of June 30, 2019 and 2018, the STA Fund had receivables of \$52,070 and \$47,866 respectively.

2. Cash and Investments

Cash balances of the STA Fund are pooled with other County funds and invested by the Los Angeles County Treasurer (the Treasurer). These funds are subject to withdrawal from the Treasurer's pool upon demand.

STA Fund's pooled cash and investments with the LACIP amounted to \$51,400 at June 30, 2019 and \$66,803 at June 30, 2018. The County Board of Supervisors provides regulatory oversight for the LACIP. The value of the position in the investment pool is the same as the value of the pool. The investment pool is not rated for purposes of evaluating credit risk as of June 30, 2019 and 2018.

Detailed information concerning the County's pooled cash and investments can be found in the County of Los Angeles Comprehensive Annual Financial Report (CAFR). A copy of the County's CAFR can be obtained by writing to the Los Angeles County Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012-2766.

3. Due to/from Other Funds

Due to or from other funds represent payables owed to or receivable from a particular LACMTA fund for temporary loans, advances, goods delivered, or services rendered. As of June 30, 2019 and 2018, the STA Fund had a net payable mainly to LACMTA's Enterprise Fund for \$23,427 and \$6,889, respectively, for various unpaid operating and capital subsidies.

4. Interfund Transfers

Transfers represent permanent, legally authorized transfers from a fund receiving revenue to the fund through which resources are to be expended. These transfers represent operating and capital subsidies given out from one fund to another fund. For the fiscal years ended June 30, 2019 and 2018, the STA Fund transferred \$193,452 and \$49,008 to LACMTA Enterprise Fund, respectively.

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Notes to Financial Statements
June 30, 2019 and 2018

5. Sales Tax Revenue

Sales tax revenue represents amounts from the allocation of retail sales tax on diesel fuel and gas fuel collected by the California Department of Tax and Fee Administration. For the years ended June 30, 2019 and 2018, the STA Fund received an allocation of \$195,872 and \$150,940 respectively.

6. Payable to Cities and Jurisdictions

As of June 30, 2019 and 2018, the STA Fund had accrued liabilities to various cities and other jurisdictions of \$611 and \$2,655, respectively. These accrued liabilities represented claims for the current fiscal year allocation that were disbursed by the STA Fund in the following fiscal year.

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
(Unaudited)
Fiscal year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final budget</u>
Revenues:				
Sales tax	\$ 150,487	\$ 150,487	\$ 195,872	\$ 45,385
Investment income	—	—	2,126	2,126
Total revenues	150,487	150,487	197,998	47,511
Expenditures:				
Transportation subsidies	25,918	25,918	30,104	(4,186)
Excess of revenues over expenditures	124,569	124,569	167,894	43,325
Other financing sources (uses):				
Transfers out	(191,076)	(191,076)	(193,452)	(2,376)
Net change in fund balances	(66,507)	(66,507)	(25,558)	40,949
Fund balances – beginning of year	105,429	105,429	105,429	—
Fund balances – end of year	<u>\$ 38,922</u>	<u>\$ 38,922</u>	<u>\$ 79,871</u>	<u>\$ 40,949</u>

Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund
Supplemental Schedule of Allocations (Unaudited)
Fiscal years ended June 30, 2019 and 2018
(Amounts expressed in thousands)

CCR Code	Operating 6730(a)	Capital 6730(b)	Rail 6730(c)	2019 Total	2018 Total
Arcadia	\$ 89	\$ —	\$ —	\$ 89	\$ 42
Claremont	35	—	—	35	24
Commerce	113	—	—	113	65
Culver City	1,410	—	—	1,410	807
Foothill Transit	6,490	—	—	6,490	3,606
Gardena	1,415	—	—	1,415	798
La Mirada	27	—	—	27	18
Long Beach	6,057	—	—	6,057	3,494
LACMTA	72,040	—	71,490	143,530	84,090
Montebello	2,135	—	—	2,135	1,237
Norwalk	824	—	—	824	449
Redondo Beach	192	1	—	193	109
Santa Monica	5,208	—	—	5,208	2,989
Torrance	1,648	—	—	1,648	956
Antelope Valley	585	—	—	585	410
LADOT	1,213	—	—	1,213	839
Santa Clarita	565	—	—	565	416
Foothill -BSCP	263	—	—	263	183
Total STA fund allocations	<u>\$ 100,309</u>	<u>\$ 1</u>	<u>\$ 71,490</u>	<u>\$ 171,800</u>	<u>\$ 100,532</u>

**Los Angeles County
Metropolitan Transportation Authority
State Transit Assistance
Special Revenue Fund**

Supplemental Schedule of Expenditures and Transfers (Unaudited)
Fiscal years ended June 30, 2019 and 2018
(Amounts expressed in thousands)

CCR Code	FY2019				FY2018			
	Operating 6730(a)	Capital 6730(b)	Rail 6730(c)	Total	Operating 6730(a)	Capital 6730(b)	Rail 6730(c)	Total
Arcadia	\$ 69	\$ —	\$ —	\$ 69	\$ 16	\$ —	\$ —	\$ 16
Claremont	13	25	—	38	3	—	—	3
Commerce	162	—	—	162	46	—	—	46
Culver City	1,771	—	—	1,771	195	37	—	232
Foothill Transit	6,753	—	—	6,753	1,991	—	—	1,991
Gardena	1,773	244	—	2,017	441	—	—	441
La Mirada	—	—	—	—	6	—	—	6
Long Beach	7,622	—	—	7,622	1,930	—	—	1,930
LACMTA	103,806	—	89,646	193,452	10,119	—	38,889	49,008
Montebello	1,344	373	—	1,717	299	—	—	299
Norwalk	964	—	—	964	369	—	—	369
Redondo Beach	226	—	—	226	82	—	—	82
Santa Clarita	981	—	—	981	—	—	—	—
Santa Monica	6,136	—	—	6,136	722	—	—	722
Torrance	1,648	—	—	1,648	666	—	—	666
Total STA fund expenditures	\$ 133,268	\$ 642	\$ 89,646	\$ 223,556	\$ 16,885	\$ 37	\$ 38,889	\$ 55,811

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

The 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 State Transit Assistance Fund (the STA Fund), a special revenue fund of the Los Angeles County Metropolitan Transportation Authority (LACMTA), which comprise the balance sheet as of June 30, 2019 and 2018, and the related statement of revenues, expenditures, and changes in fund balance for the years then ended, and have issued our report thereon dated December 10, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that LACMTA failed to comply with the terms, covenants, provisions, or conditions of Section 6751 of the California Code of Regulations, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding LACMTA's noncompliance with the above-referenced terms, covenants, provisions, or conditions, insofar as they relate to accounting matters.

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



Crowe LLP

Los Angeles, California
December 10, 2019