

**LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY**

SINGLE AUDIT REPORT

Fiscal year ended June 30, 2023

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY
Los Angeles, California

SINGLE AUDIT REPORT
Fiscal year ended June 30, 2023

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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, 2023, 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 22, 2023. 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*.

Report on 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 or significant deficiencies may exist that have not been identified.

(Continued)

Report on 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.

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

Crowe LLP

Los Angeles, California
December 22, 2023

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

Opinion on Each Major Federal Program

We have audited Los Angeles County Metropolitan Transportation Authority's (LACMTA) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of LACMTA's major federal programs for the year ended June 30, 2023. LACMTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, LACMTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of LACMTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of LACMTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to LACMTA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on LACMTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about LACMTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LACMTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of LACMTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 LACMTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

(Continued)

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, 2023, and the related notes to the financial statements, which collectively comprise LACMTA's basic financial statements. We issued our report thereon dated December 22, 2023, 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

Los Angeles, California
December 22, 2023

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2023

Federal grantor/ pass-through grantor/program or cluster title/project title	Assistance Listing Number	Direct Program and Pass-through Grant Identifying Number	Total Federal Award	Total Expenditures	Federal Share	Federal share passed through to subrecipient	State Share	Local Share
U.S. Department of Transportation								
Federal Highway Administration								
Passed through State of California Department of Transportation:								
Highway Planning and Construction Cluster								
Highway Planning and Construction								
Extension of Transit way on I-110 to Downtown LA	20.205	EA 07-278008	\$ 6,272,632	\$ 613,161	490,528	-	-	122,632
Freight Advanced Traveler Information System (FRATIS)	20.205	ATCMTDL-6065(218)	3,000,000	154,975	77,487	-	-	77,487
I-605/SR-91 Interchange Improvements	20.205	07-5186	26,000,000	2,966,950	684,298	-	1,454,731.85	827,919.93
I-5 Chokepoint relief project	20.205	07-5187	294,000,000	61,559,695	12,566,898	-	23,209,837	25,782,959
Soundwall Package#10	20.205	HIPL-6065(251)	48,649,000	4,768,602	4,755,994	-	-	12,608
Union Station Master Plan: Alameda Esplanade	20.205	07-6065F15-F022	2,150,000	72,557	-	12,104	-	60,453
Highway Planning and Construction Total			380,071,632	70,135,939	18,575,207	12,104	24,664,569	26,884,059
Infrastructure for Rebuilding America (INFRA) Cluster								
The Nationally Significant Multimodal Freight & Highway Projects								
SR-57/60 Confluence Choke Point	20.934	INFRAL-6065 (254)	27,000,000	44,420	35,536	-	-	8,884
Federal Highway Administration Total			407,071,632	70,180,359	18,610,743	12,104	24,664,569	26,892,943
Federal Transit Administration								
Direct Programs:								
Federal Transit Cluster:								
Federal Transit Capital Improvement Grants:								
Regional Connector Transit Corridor	20.500	CA-2016-046	504,900,000	10,275,993	8,600,529	-	-	1,675,463
Regional Connector Transit Corridor	20.500	CA-2022-138	59,228,415	59,228,415	59,228,415	-	-	-
Westside Purple Line Ext. - Section 1 New Starts	20.500	CA-2016-017	771,983,701	203,829,076	176,680,343	-	-	27,148,733
Westside Purple Line Ext Section 1 ARPA	20.500	CA-2022-105	66,428,844	66,428,844	66,428,844	-	-	-
Westside Purple Line Ext Section 2 New Starts	20.500	CA-2016-047	771,983,701	109,527,008	122,693,940	-	-	(13,166,932)
Westside Purple Line Ext Section 2 ARPA	20.500	CA-2022-149	58,417,784	58,417,784	58,417,784	-	-	-
Westside Purple Line Ext Section 3 ARPA	20.500	CA-2022-081	93,437,754	93,437,754	93,437,754	-	-	-
Westside Purple Line Extension 3 New Starts	20.500	CA-2019-170	571,983,701	69,611,236	108,098,073	-	-	(38,486,837)
Federal Transit Capital Improvement Grants Total			2,898,363,900	670,756,109	693,585,682	-	-	(22,829,573)
Systemwide Light Rail Vehicles	20.507	CA-2016-026	149,430,000	26,205,781	4,128,762	-	-	22,077,019
RAIL TO RAIL ATC (SEGMENT A-1) - ATP	20.507	CA-2022-206	8,326,000	2,422,586	1,938,069	-	-	484,517
FY17/21 Section 5307 for Bus Preventive Maintenance	20.507	CA-2022-132	146,909,793	184,220,639	146,909,793	-	-	37,310,846
5337 & 5307/5340 LA Metro FY23 Rail Preventive Maintenance	20.507	CA-2022-155	8,864,770	11,080,963	8,864,770	-	-	2,216,193
Westside Purple Line Ext Section 3 CMAQ & STBG	20.507	CA-2022-144	115,000,000	60,204,478	48,338,711	-	-	11,865,767
Federal Transit - Formula Grants Total			428,530,563	284,134,447	210,180,104	-	-	73,954,343
State of Good Repair Grants Program								
5337 & 5307/5340 LA Metro FY23 Rail Preventive Maintenance	20.525	CA-2022-155	107,267,656	134,084,570	107,267,656	-	-	26,816,914
5337 LA Metro Rail Vehicle Midlife Overhauls	20.525	CA-2018-031	86,251,460	27,782,249	18,676,599	-	-	9,105,651
State of Good Repair Grants Program Total			193,519,116	161,866,819	125,944,255	-	-	35,922,565
Bus and Bus Facilities Formula Program								
Section 5339 Bus Overhauls	20.526	CA-2019-056	146,810,553	35,829,167	18,843,550	-	-	16,985,618
Bus and Bus Facilities Formula Program Total			146,810,553	35,829,167	18,843,550	-	-	16,985,618
Research, Development, Demonstration and Deployment Program								
FY20 Section 5312 AIM Travel Rewards Research Pilot	20.530	CA-2021-012	700,000	173,219	172,634	-	-	585
Research, Development, Demonstration and Deployment Program Total			700,000	173,219	172,634	-	-	585
Federal Transit Cluster Total			\$ 3,667,924,132	\$ 1,152,759,761	\$ 1,048,726,224	\$ -	\$ -	\$ 104,033,537

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2023

Federal grantor/ pass-through grantor/program or cluster title/project title	Assistance Listing Number	Direct Program and Pass-through Grant Identifying Number	Total Federal Award	Total Expenditures	Federal Share	Federal share passed through to subrecipient	State Share	Local Share
Enhanced Mobility of Seniors and Individual with Disabilities								
Enhanced Mobility of Seniors and Individuals with Disability Program 5310 All	20.513	CA-16-X066	\$ 6,092,451	\$ 76,228	-	49,707	-	26,521
L.A. County Section 5310 All Subrecipients - FY19	20.513	CA-2020-167	9,787,049	1,171,893	-	970,244	-	201,649
LA County Section 5310 All Subrecipients FY17	20.513	CA-2018-065	9,207,811	591,922	108,782	308,645	-	174,495
Program Administration FFY19	20.513	CA-2021-226	1,115,715	351,876	-	351,876	-	-
5310 Enhanced Mobility of Senior and Individuals with Disability	20.513	CA-2022-142	1,254,836	911,271	911,271	-	-	-
5310 Enhanced Mobility of Senior and Individuals with Disability	20.513	CA-2022-141	1,254,817	134,750	134,750	-	-	-
Enhanced Mobility of Seniors and Individual with Disabilities Total			28,712,679	3,237,939	1,154,803	1,680,472	-	402,665
Job Access and Reverse Commute Program								
L A County Job Access and Reverse Commute (JARC) Program Administration. FY0	20.516	CA-37-X071	5,032,849	287,754	287,754	-	-	-
Job Access and Reverse Commute Program. Project - LA County Job Access and Pro	20.516	CA-37-X100	10,343,881	(2,535,585)	(1,169,597)	(157,113)	-	(1,208,875)
Job Access and Reverse Commute - Capital/Operating Assist.	20.516	CA-37-X123	13,878,024	469,369	-	375,495	-	93,874
Job Access and Reverse Commute Program Total			29,254,754	(1,778,462)	(881,843)	218,382	-	(1,115,002)
New Freedom Program:								
New Freedom - Capital & Operating Assistance	20.521	CA-57-X100	7,354,678	3,039,249	-	1,519,625	-	1,519,625
New Freedom - Capital & Operating Assistance	20.521	CA-57-X084	8,702,026	114,712	-	107,623	-	7,089
New Freedom Program Total			16,056,704	3,153,961	-	1,627,247	-	1,526,714
Transit Services Programs Cluster Total			74,024,137	4,613,438	272,960	3,526,101	-	814,377
Research and Development Cluster								
Public Transportation Research, Technical Assistance, and Training								
FY16 Demonstration of Collision Avoidance and Mitigation Technologies on Los A	20.514	CA-2017-055	1,450,000	170,803	123,832	-	-	46,971
Public Transportation Research, Technical Assistance, and Training Total			1,450,000	170,803	123,832	-	-	46,971
Federal Transit Administration Total			4,123,469,901	1,227,679,942	1,067,698,223	3,538,206	24,664,569	131,778,944
Office of the Secretary								
National Infrastructure Investments								
TIGER VII Rail to Rail Active Transportation Corridor Connector	20.933	CA-2017-103	15,000,000	43,844,256	7,796,394	-	-	36,047,861
ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT	20.933	FRA FR-TII-0051-19-01-00	15,000,000	15,000,000	15,000,000	-	-	-
National Infrastructure Investments Total			30,000,000	58,844,256	22,796,394	-	-	36,047,861
U.S. Department of Transportation Total			4,180,469,901	1,286,568,617	1,090,530,153	3,538,206	24,664,569	167,835,689
U.S. Department of Homeland Security:								
Transportation Security Administration								
Direct Programs:								
Rail and Transit Security Grant Program								
Transit Security Grant Program	97.075	EMW-2018-RA-00007	6,204,960	5,410,747	5,410,747	-	-	-
Transit Security Grant Program	97.075	EMW-2019-RA-00019	7,208,108	2,344,312	2,344,312	-	-	-
Video Management System/Security Intelligence	97.075	EMW-2020-RA-00029	12,180,025	294,553	294,553	-	-	-
Rail and Transit Security Grant Program Total			25,593,093	8,049,612	8,049,613	-	-	-
Federal Emergency Management Assistance								
Passed through State of California Department of Transportation:								
Disaster Grants - Public Assistance								
FEMA-4482-DR-CA	97.036	FEMA-4482-DR-CA	-	473,377	473,377	-	-	-
Disaster Grants - Public Assistance Total			-	473,377	473,377	-	-	-
U.S. Department of Homeland Security Total			25,593,093	8,522,990	8,522,990	-	-	-
Total Federal Grants			\$ 4,206,062,994	\$ 1,295,091,607	1,099,053,143	3,538,206	\$ 24,664,569	\$ 167,835,689

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 Fiscal year ended June 30, 2023

Grantor/ pass-through grantor/program or cluster title/project title	Assistance Listing Number	Direct Program and Pass-through Grant Identifying Number	Total State Award	Total Expenditures	Federal Share	Federal share Passed through to subrecipient	
						State Share	Local Share
State Grants			\$ 7,000,000	\$ 1,132,302		\$ -	\$ 1,132,302
NETWORK INTEGRATION			-	342,585		342,585	-
ACCESS FOR ALL			700,000	356,279		315,414	40,865
VMT MITIGATION PROGRAM (CALTRANS)			21,837,815	14,506,136		13,654,260	851,876
CRENSHAW PRE-REVENUE			14,808,000	718,858		-	718,858
ROSA PARKS-MEZZANINE			15,000,000	3,520,276		3,520,276	-
75GS6132			76,665,000	15,634,941		15,647,329	(12,388)
HSR17-19			22,000,000	26,836,394		5,000,000	21,836,394
SR-57/60 CONFLUENCE CHOKE POINT			6,682,708	3,540,390		2,832,312	708,078
FSP21SB1-6065(245)			3,000,000	190,315		190,315	-
07A5025			150,000,000	188,483,354		127,647,573	60,835,781
AIRPORT METRO CONNECT 96th Street transit Station			9,000,000	5,189,291		1,810,121	3,379,171
SO BAY GREEN LINE EXT			500,684	466,137		424,946	41,190
PARTNERSHIP FOR HOUSING ACCELERATION			39,098,039	12,960,799		12,151,505	809,293
LCTOP - Metro Electric Bus Charging Infrastructure			18,500,000	12,418,184		6,545,458	5,872,725
WEST SANTA ANA BRANCH TST. COR			64,437,000	45,869,474		24,526,408	21,343,066
Metro Red Line and Purple Line Core Capacity Improvements			93,671,000	111,967,889		55,939,504	56,028,384
Metro Red Line and Purple Line Core Capacity Improvements			7,167,377	3,892,624		3,114,100	778,525
FSP19SB1-6065(236)			6,975,046	3,757,038		3,005,630	751,408
FSP20SB1-6065(239)			7,948,070	9,935,088		7,948,070	1,987,018
FSP22-6065(250)			6,786,106	8,482,633		6,786,106	1,696,527
FSP22-6065(252)			7,934,718	9,918,398		7,934,718	1,983,680
SC REGIONAL INTERCONNECTOR PRO			227,420,000	8,664,844		4,394,640	4,270,203
STIP-PPM21-6065(247)			4,002,000	2,526,229		2,526,229	-
1_605 at S. Street Improvement Project			15,791,000	527,132		527,132	-
			Total State Grants	\$ 826,924,563	\$ 491,837,591	\$ 306,784,633	\$ 185,052,957

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LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Fiscal year ended June 30, 2023

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.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal year ended June 30, 2023

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:

ALN 20.500 / 20.507 / 20.525 / 20.526 - Federal Transit Cluster

ALN 20.205 - Highway Planning and Construction Cluster

ALN 97.075 - Transit Security Grant Programs

Dollar threshold used to distinguish type A and B programs:

 \$ 3,307,774

Auditee qualified as low-risk auditee?

 X Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted in current year.
