



## Board Report

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### FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 15, 2020

**SUBJECT: BASIC FINANCIAL STATEMENTS AND COMPONENT AUDITS**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE the Los Angeles County Metropolitan Transportation Authority's (Metro) basic financial statements and component financial statement audits completed by Crowe LLP (Crowe) as of and for the fiscal year ended June 30, 2019.

#### **ISSUE**

Metro is required to be audited annually by independent certified public accountants. The resulting reports include Metro's basic financial statements and following component audits for the fiscal year ended June 30, 2019 (FY19):

- Comprehensive Annual Financial Report for the Los Angeles County Metropolitan Transportation Authority;
- Independent Auditor's SAS 114 letter covering required communications related to the financial statement audit;
- Single Audit Report;
- Independent Accountant's Report on Applying Agreed-Upon Procedures on Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154);
- Independent Auditor's Report on Compliance with the California Code of Regulations (Section 6667); Report on Internal Control over Compliance; and Report on 50% Expenditure Limitation Schedule for Transportation Development Act Operations Agency;
- Independent Auditor's Report on Compliance with the California Code of Regulations (Sections 6640-6662); Report on Internal Control over Compliance; and Report on Schedule of Revenues, Expenditures, and Changes in Fund Balances for Transportation Development Act;
- Independent Auditor's Report on Crenshaw Project Corporation (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) financial statements;
- Independent Auditor's Report on the Service Authority for Freeway Emergencies (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) financial statements;

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- Independent Auditor's Report on Compliance with Rules and Regulations of the Low Carbon Transit Operations Program (LCTOP) and Report on Internal Control over Compliance for the Los Angeles County Metropolitan Transportation Authority's compliance with the LCTOP Guidelines; and
  - Independent Auditor's Report on the Los Angeles County Metropolitan Transportation Authority State Transit Assistance Special Revenue Fund's basic financial statements for the fiscal years ended June 30, 2018 and June 30, 2019.

## **DISCUSSION**

Metro's basic financial statements include its audited financial statements, supplemental information and unmodified audit opinion from the independent external auditor. The independent auditor issued unmodified opinions on all audit reports for FY19. Receiving an unmodified opinion indicates that all financial statements for FY19 were fairly presented and that Metro complied in all material respects with the applicable financial reporting framework and compliance requirements.

Due to the considerable size of the document, a hard copy of the Comprehensive Annual Financial Report is on file with the Board Secretary. The report and is also accessible on Metro's website at [http://media.metro.net/about\\_us/finance/images/fy19-cafr.pdf](http://media.metro.net/about_us/finance/images/fy19-cafr.pdf).

## **ATTACHMENTS**

Attachment A - SAS 114 Letter Covering Required Communications

Attachment B - Single Audit Report for FY19

Attachment C - Federal Funding Allocation Data for the Transportation Operating Agency (ID# 90154) for FY19

Attachment D - Transportation Development Act Operations Agency for FY19

Attachment E - Transportation Development Act Schedule of Revenues, Expenditures and Changes in Fund Balances for FY19

Attachment F - State Transit Assistance Special Revenue Fund's Financial Statements as of FY18 and FY19.

Attachment G - Crenshaw Project Corporation (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) Financial Statements for FY19

Attachment H - Service Authority for Freeway Emergencies (A Component Unit of the Los Angeles County Metropolitan Transportation Authority) Financial Statements for FY19

Attachment I - Low Carbon Transit Operations Program (LCTOP) and Report on Internal Control over Compliance for FY19.

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