



**November 8, 2017**

**To:** Finance and Administration Committee

**From:** Darrell Johnson, Chief Executive Officer

**Subject:** Fiscal Year 2016-17 Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements

**Overview**

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements and schedules. Vavrinek, Trine, Day and Company, LLP, an independent accounting firm, has completed its annual audit of the Orange County Transportation Authority's Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements for fiscal year 2016-17.

**Recommendation**

Receive and file the fiscal year 2016-17 Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements.

**Background**

Pursuant to Section 40078 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting results of operations during the preceding fiscal year (FY) and OCTA's financial position at year-end. These financial statements are included in OCTA's Comprehensive Annual Financial Report (CAFR).

OCTA staff also prepares financial statements for the 91 Express Lanes Fund.

**Discussion**

Vavrinek, Trine, Day and Company, LLP, has completed its annual audit of OCTA's financial records and systems, and has issued its opinion on OCTA's financial statements for the FY ended June 30, 2017. The auditors have issued an unmodified opinion on the financial statements, indicating that the statements present fairly, in all material respects, the financial position of OCTA at

June 30, 2017, and the results of its operations and cash flows of the proprietary funds for the FY then ended (Attachment A).

Fund financial statements for the 91 Express Lanes were also prepared and an unmodified opinion was issued (Attachment B).

The CAFR will be submitted to the Government Finance Officers Association (GFOA) for consideration of the Certificate for Excellence in Financial Reporting for FY 2016-17. The GFOA awards certificates only to those governments whose annual financial reports are deemed in conformance with the highest standards of public financial reporting. OCTA has been awarded the GFOA certificate for each year of its existence, commencing with the FY ended June 30, 1992. Such recognition has a positive effect on OCTA's ability to borrow at favorable interest rates. The CAFR is a useful tool in business dealings with outside organizations.

The 91 Express Lanes Fund financial statements will be forwarded to rating agencies, investors, and insurance companies.

### ***Summary***

Staff has prepared the Orange County Transportation Authority's Comprehensive Annual Financial Report and 91 Express Lanes Fund Financial Statements for the fiscal year ended June 30, 2017. Vavrinek, Trine, Day and Company, LLP, has audited these financial statements and schedules, and has issued unmodified opinions as to the fairness of the financial statement and schedule presentations.

***Attachments***

- A. Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017
- B. 91 Express Lanes Fund Financial Statements for the Fiscal Year Ended June 30, 2017

**Prepared by:**



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