



January 22, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Janet Sutter, Executive Director
Internal Audit Department

Subject: Fiscal Year 2018-19 Annual Financial and Agreed-Upon
Procedures Reports

Overview

The Orange County Transportation Authority is required to obtain an independent auditor's opinion on various financial statements. Crowe, LLP, an independent accounting firm, has completed its annual audits of the Orange County Transportation Authority and related entities for the fiscal year 2018-19. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements. All reports are included herewith.

Recommendation

Receive and file the fiscal year 2018-19 annual financial statement audits and agreed-upon procedures reports as information items.

Background

Pursuant to Section 28770 of the Public Utilities Code, the Orange County Transportation Authority (OCTA) prepares an annual set of financial statements presenting its results of operations and financial position at fiscal year-end. The financial statements are included in OCTA's Comprehensive Annual Financial Report (CAFR), which was presented to the Board of Directors on November 25, 2019. In connection with the CAFR audit, Crowe, LLP (Crowe) provides opinions on other financial reports of OCTA and applies certain agreed-upon procedures to determine compliance with certain federal, state, and local requirements.

The audits were performed under current accounting and auditing standards, including generally accepted auditing standards, the standards set forth for financial audits in the Government Accountability Office's *Government Auditing Standards*, the provisions of the federal Single Audit Act of 1984 (as amended) and the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the following additional requirements, where applicable:

- *State of California Transportation Development Act*, including the requirements of the *Southern California Association of Governments' Transportation Development Act Conformance Auditing Guide*;
- *Renewed Measure M Transportation Investment Plan*;
- *Special District and Transit District Reporting Requirements*, as specified by the California State Controller; and
- *Section 1.5 of Article XIII B of the California Constitution*, with procedures specified by the League of California Cities in *Article XIII B Appropriations Limitation Uniform Guidelines*

Discussion

Crowe has completed its annual financial audits and has issued independent auditor opinions for the fiscal year ended June 30, 2019. Results of agreed-upon procedures reviews have also been issued. Reports are included as Attachments A through J.

There were no recommendations resulting from audits and agreed-upon procedures performed for the fiscal year ended June 30, 2019.

Summary

Crowe has completed its annual audits of OCTA and related entities for the fiscal year 2018-19. Additionally, reports have been issued on the results of agreed-upon procedures applied to determine compliance with certain state, federal, and local requirements.

Attachments

- A. Orange County Transportation Authority Single Audit Year Ended June 30, 2019
- B. Orange County Local Transportation Authority (A Component Unit of the Orange County Transportation Authority) Annual Financial and Compliance Report Year Ended June 30, 2019
- C. Orange County Transportation Authority Local Transportation Fund Financial Statements Year Ended June 30, 2019
- D. Orange County Transportation Authority State Transit Assistance Fund Financial Statements Year Ended June 30, 2019
- E. Orange County Transportation Authority Independent Auditor's Report on Proposition 1B and the Transportation Development Act Year Ended June 30, 2019
- F. Orange County Local Transportation Authority Report on Agreed-Upon Procedures Applied to Measure M2 Status Report Year Ended June 30, 2019
- G. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures with Respect to the Treasury Department Year Ended June 30, 2019
- H. Orange County Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures Related to Article XIII-B Appropriations Limit Calculation for the Fiscal Year Ended June 30, 2019
- I. Orange County Transportation Authority Agreed-Upon Procedures Performed with Respect to the National Transit Database Report June 30, 2019
- J. Orange County Local Transportation Authority Independent Accountant's Report on Applying Agreed-Upon Procedures Related to Article XIII-B Appropriations Limit Calculation for the Fiscal Year Ended June 30, 2019

Prepared by:



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