SamTrans Fiscal Year 2018-2019
Comprehensive Annual Financial Report
Single Audit Report

SamTrans Board of Directors – Audit Committee
November 25, 2019
Agenda

- Highlights from the CAFR for FY 2018-19
  - Auditor’s Communication
  - Timing of the CAFR
  - Assessment of SamTrans Long-Term Fiscal Health
  - Internal Control over Financial Reporting and on Compliance

- Single Audit Report
Eide Bailly issued an unmodified “clean” opinion on the financial statements and compliance with federal grants.

- No adjustments were proposed to the financial statements.
- No difficulties were encountered in the performance of the audit.
Timing of the CAFR

- The FY 2018-19 CAFR was published on October 31
- 49 days early compared to 2017
- 71 days early compared to 2016
- 76 days early compared to 2015

Benefits of timely reporting:
- Provides more timely information to investors, management, and community
- Allows time to focus on other projects
Assessment of SamTrans Long-Term Fiscal Health
Assessment of SamTrans Long-Term Fiscal Health (continued)
Assessment of SamTrans Long-Term Fiscal Health (continued)

10-Year History of Net Position vs Unrestricted Reserves
(Adjusted for Non-Current Assets and Long-Term Liabilities)
Assessment of SamTrans Long-Term Fiscal Health (continued)

What Does This Mean?

**GAAP**
- GAAP accounting provides a partial view of the District’s financial condition
- GAAP accounting can hide trends

**Non-GAAP**
- Focuses on short-term needs
- Ability to maintain services

What Should We Do?

- Focus on preventing or limiting “Financial Impairment” through cost-effective financial management in both short and long term.
- Continue to develop metrics to help the Board identify and address potential financial impairment issues.
- Address challenges associated with large unfunded liabilities.
- Develop appropriate reserve policies.
Internal Control Over Financial Reporting and Compliance

No audit findings reported
Single Audit Report

- Expenditures of Federal Award: $6.7 million

- Internal Control over Major Programs: No finding reported