

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

SamTrans Board of Directors – Audit Committee
December 9, 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

Auditor's Communication

- 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

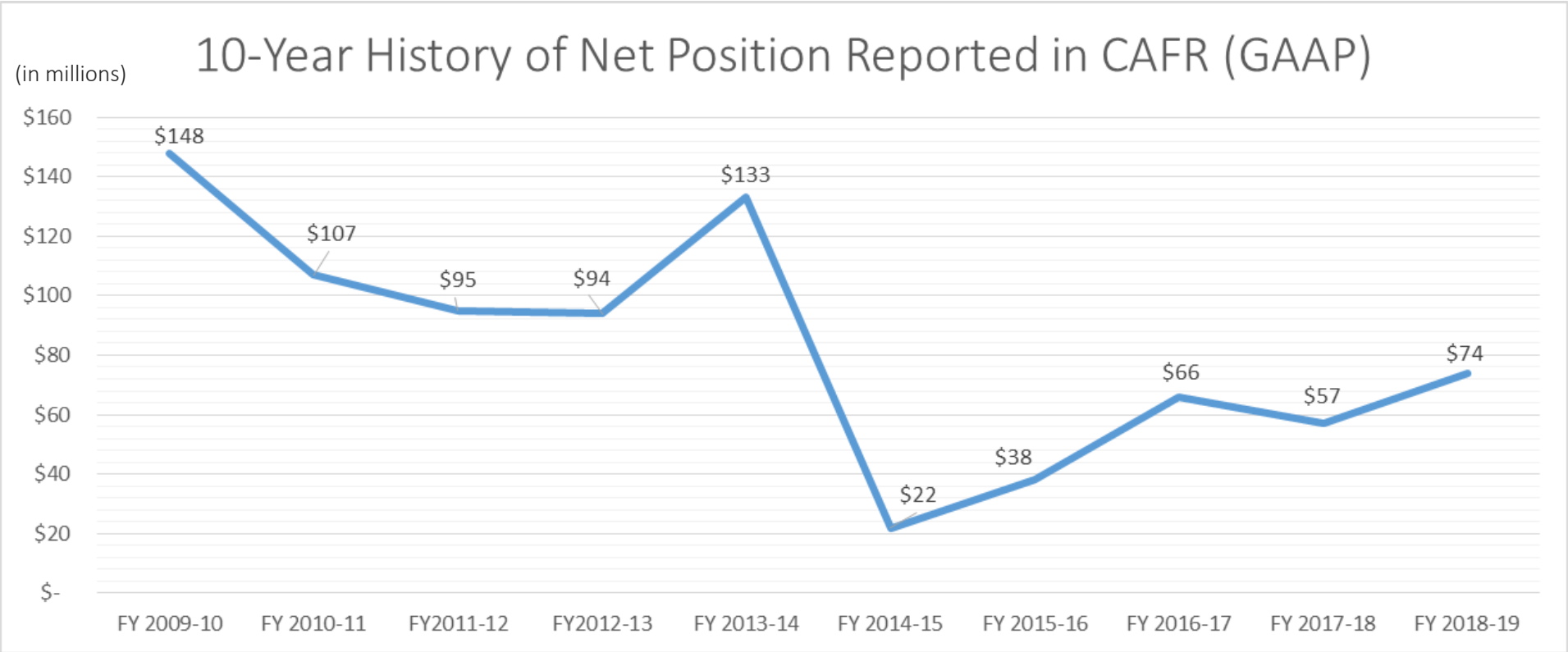
Timing of the CAFR

- 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

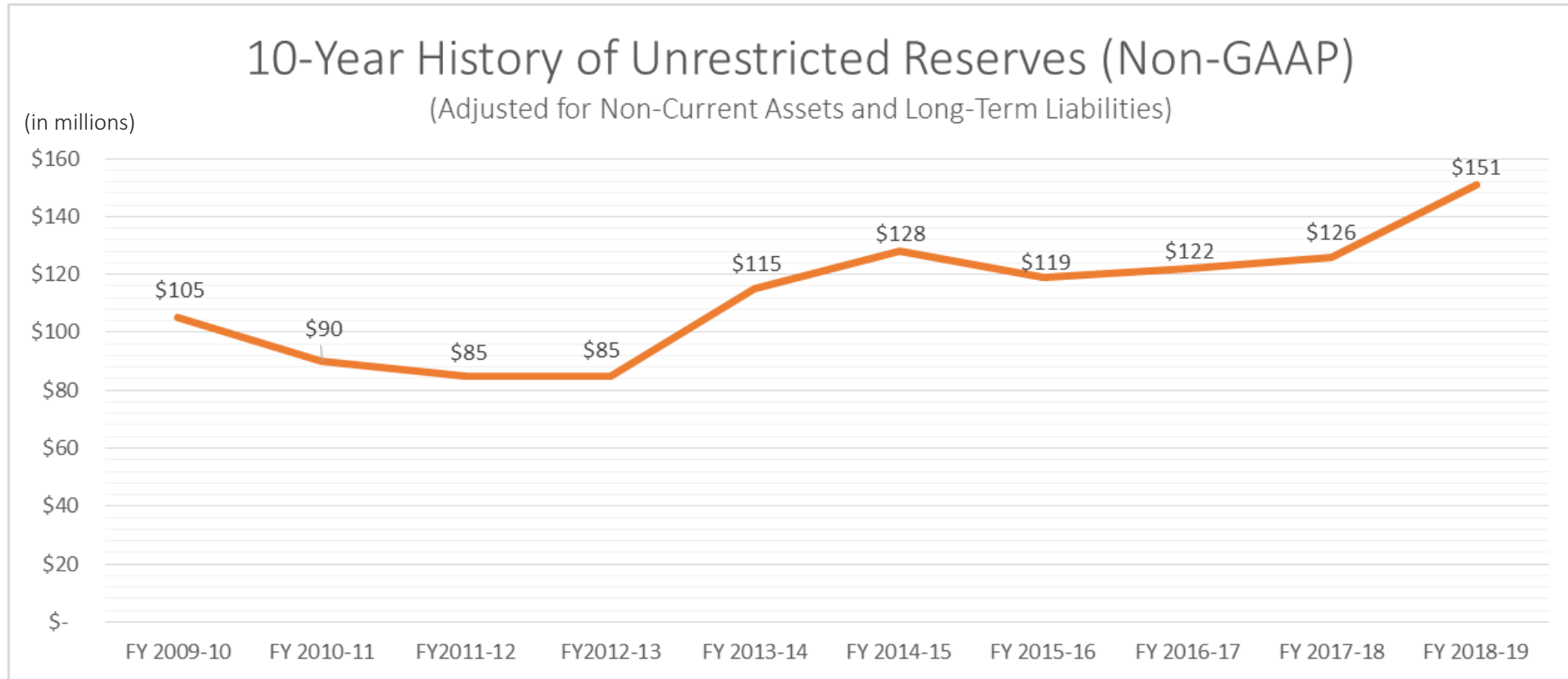
Benefits of timely reporting:

- Provides more timely information to investors, management, and community
- Allows time to focus on other projects

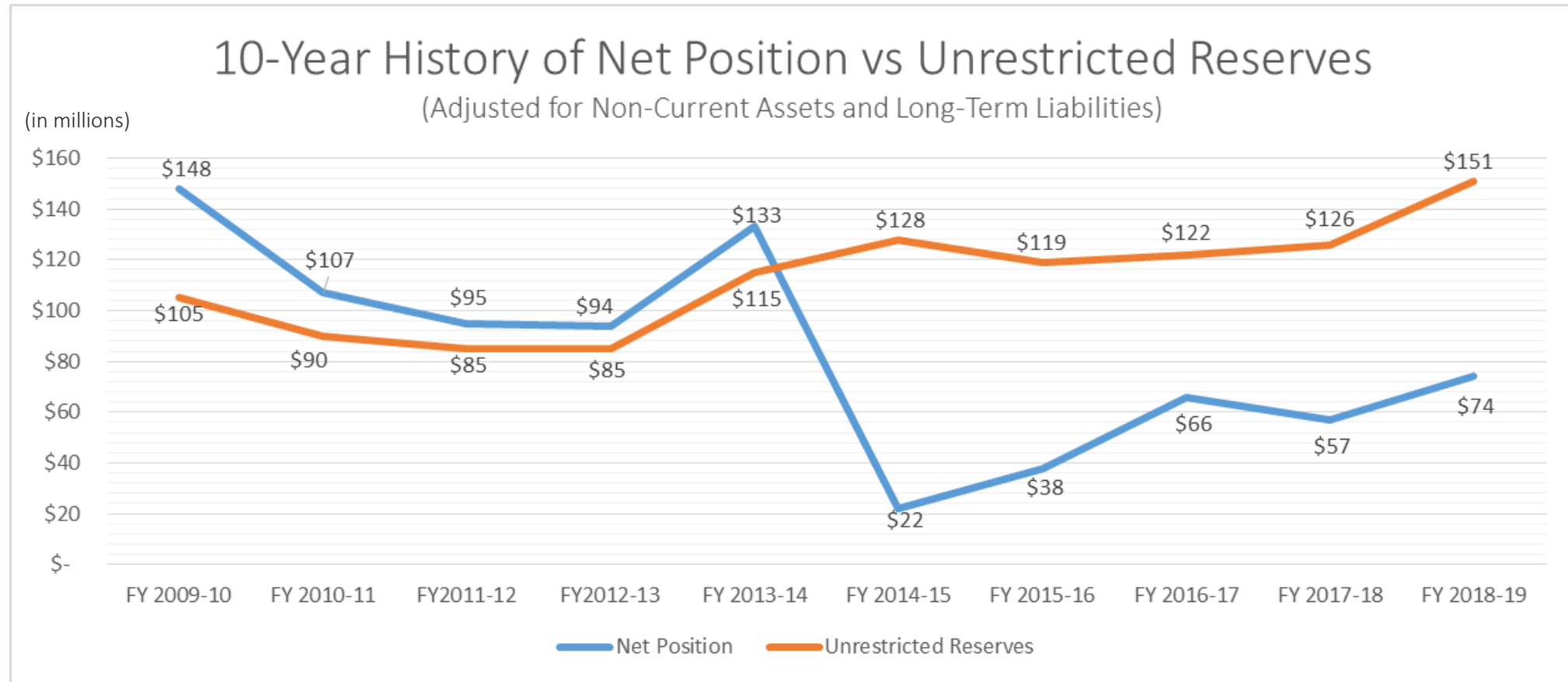
Assessment of SamTrans Long-Term Fiscal Health



Assessment of SamTrans Long-Term Fiscal Health (continued)



Assessment of SamTrans Long-Term Fiscal Health (continued)



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