



Item #8

November 7, 2018

TO: GCTD Board of Directors

From: Steve L. Rosenberg   
Director of Finance and Administration

RE: Consider Acceptance of GCTD FY 2017-18 Comprehensive Annual Financial Report (CAFR), TDA Certification and Single Audit Report as Prepared by Brown Armstrong

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## I. EXECUTIVE SUMMARY

The Board of Directors has contracted with Brown Armstrong to audit GCTD's financial operations and prepare GCTD's FY 2017-18 financial statements and Comprehensive Annual Financial Report (CAFR), which is today presented to the Board for its consideration and acceptance. The statements, and the accompanying Management Discussion and Analysis section prepared by GCTD staff, are intended to provide a detailed picture of the financial and operational areas of the agency.

Brown Armstrong is also tasked to conduct TDA audits of both GCTD and of GCTD's member jurisdictions, reviewing the District's' use of Local Transportation Funds (LTF) as well as the use of TDA funds members receive from GCTD. These member audits are in the process of being conducted, and it is anticipated that member audit reports will be presented to the Board in January or February 2019, depending on the readiness of our members.

This year's audit was particularly challenging in that for the first time in many years we had an entirely new audit team. I am pleased to report that again this year the CAFR audit statements contain no negative findings in any area of our financial controls or reporting. This achievement reflects on the efforts of GCTD's Finance and Accounting group, especially Accounting Manager Lili Marlene Tomen, whose hard work and meticulous attention to detail continues to be most responsible for GCTD achieving unqualified positive audit results year after year.

In addition to the CAFR, presented for the Board's review are the TDA certification of GCTD's operations and the Single Audit report. The TDA certification documents GCTD's compliance with all State TDA requirements, including the Farebox Recovery Ratio (FBRR). GCTD achieved full compliance in this area. The Single Audit report is

### GOLD COAST TRANSIT DISTRICT

a compliance review required by the Federal government of all agencies receiving at least \$750,000 in federal grant assistance. For the single audit, one deficiency not considered a material weakness was noted. GCTD deferred its biannual fixed asset physical inventory with the intent of performing it in conjunction with preparation for the relocation to the new facility. This issue will be addressed by performing a physical inventory before the end of 2018.

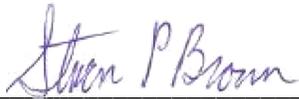
Attachment "A" to this report is GCTD's FY 2017-18 CAFR, Attachment "B" to this report is GCTD's FY 2017-18 Single Audit Report, and Attachment "C" to this report is GCTD's FY 2017-18 TDA Compliance Certification.

Ryan Nielsen, Brown Armstrong's audit partner assigned to GCTD, will make an oral presentation to the Board to discuss the audit findings and the CAFR document, which is an attachment to this report. Bound copies will be provided to Board members and a digital version will be available on the GCTD website.

## II. SUMMARY AND RECOMMENDATIONS

**IT IS RECOMMENDED that the Board accept the FY 2017-18 Comprehensive Annual Financial Report as prepared by Brown Armstrong.**

Concurrence:



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Steven P. Brown  
General Manager