



METROLINK®

Southern California Regional Rail Authority (SCRRRA)

**Report on Compliance with the Requirements of the
Metrolink Program by SCRRRA
*For the Year Ended June 30, 2023***

**Under Memorandum of Understanding (MOU) No. SCRA2023
with the Los Angeles County Metropolitan Transportation Authority
(Metro)**

Southern California Regional Rail Authority (SCRRRA)

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*For the Year Ended June 30, 2023***

**Under Memorandum of Understanding (MOU) No. SCRA2023
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(Metro)**

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FINANCIAL SECTION



Independent Accountant's Report

To the Board of Directors of the
Los Angeles County Metropolitan Transportation Authority (Metro)

Report on the Examination of Metrolink Program by SCRRA

We have examined Southern California Regional Rail Authority's (SCRRA) compliance with the following requirements identified in the Memorandum of Understanding (MOU) No. 9400000000SCRA2023 (SCRA2023) between SCRRA and the Los Angeles County Metropolitan Transportation Authority (Metro), the SCRRA Adopted Budget for the year ended June 30, 2023 and other guidelines issued related to the SCRRA Program (collectively, the Guidelines). The following requirements are applicable to SCRRA's allocation of revenues and expenditures to Metro for the year ended June 30, 2023:

1. Metro's share in the Schedule of Subsidy Allocation by County is free of material discrepancies.
2. The total revenues and expenditures shown in the Schedule of Subsidy Allocation by County provided by SCRRA are in agreement, in all material respects, with the SCRRA's Annual Comprehensive Financial Report (ACFR). See Exhibit I.
3. The allocation methods used by SCRRA to allocate revenues and expenditures are in conformance with the allocation methods adopted by the joint authorities and are applied consistently to allocate revenues and expenditures. See Exhibit II.
4. The Proposition C 10% and Measure R 3% funds received from Metro are recorded in SCRRA's books and are in agreement with Metro's disbursement records. See Exhibit III.
5. The Proposition C 10% and Measure R 3% funds received are expended for purposes identified in the SCRRA's Annual Work Program, capital grants, other operating assistance, adopted language MOU(s) and the SCRRA adopted budget.
6. Metro's contribution to the Self Insurance Reserve (SIR) was made in accordance with the appropriate member agency allocation formula, and that claims against the SIR were appropriate uses of funds. See Exhibit VI.
7. SCRRA's third party participation contracts do not materially impact Metro's share of revenues and expenditures. See Exhibit I.



8. SCRRA complied with all applicable ordinances.
9. The following requirement is not applicable to SCRRA's allocation of revenues and expenditures to Metro for the year ended June 30, 2023 because there were no transactions that have occurred relating to this requirement. Accordingly, no procedures were performed on this requirement.
 - a. Metro's contribution to the annual capital replacement program is properly accounted for, is bearing interest, and is solely allocated for this purpose.

Management's Responsibility

Management of SCRRA is responsible for its compliance with the specified requirements, as well as the compliance requirements shown in the Compliance Matrix.

Accountant's Responsibility

Our responsibility is to express an opinion on SCRRA's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether SCRRA complied in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether SCRRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination of SCRRA's compliance with the specified requirements.

Opinion

In our opinion, SCRRA complied, in all material respects, with the aforementioned requirements established in the Guidelines, for the year ended June 30, 2023.

Supplementary Information

The Schedule of Subsidy Allocation by County and the related Notes to the Schedule were presented as required by the MOU and the Guidelines. We have applied certain limited procedures to the required supplementary information in accordance with attestation standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our examination of compliance. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Restriction on Use

This report is intended solely for the information and use of SCRRRA and Metro and is not intended to be and should not be used by anyone other than these specified parties.

Vasquez & Company LLP

Glendale, California
February 12, 2024

Southern California Regional Rail Authority (SCRR)
MOU No. SCRA2023
Schedule of Subsidy Allocation by County
Year ended June 30, 2023

	<u>TOTAL</u>	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SANBAG</u>	<u>VCTC</u>
OPERATING REVENUES						
Fares	\$ 34,545,730	\$ 18,952,330	\$ 7,159,362	\$ 3,043,253	\$ 4,492,435	\$ 898,350
Dispatching	2,244,832	1,170,184	689,019	16,482	117,727	251,420
Maintenance-of-Way (MOW)	13,402,467	7,521,313	2,836,742	806,372	1,807,340	430,700
Miscellaneous	1,094,310	561,692	225,393	117,108	130,364	59,753
Total Operating Revenues	<u>51,287,339</u>	<u>28,205,519</u>	<u>10,910,516</u>	<u>3,983,215</u>	<u>6,547,866</u>	<u>1,640,223</u>
OPERATING EXPENSES						
Train operations and services	155,000,297	79,204,862	32,458,170	17,623,274	18,112,162	7,601,829
Maintenance-of-Way (MOW)	49,263,756	27,875,787	9,177,258	3,145,796	6,397,418	2,667,497
Personal liability/property damage	15,722,991	7,672,346	3,962,471	1,645,770	1,913,550	528,854
Administration and services	43,161,070	20,880,770	7,580,993	6,133,736	4,689,958	3,875,613
Contingency	40,000	18,976	6,892	5,952	4,200	3,980
Total Operating Expenses	<u>263,188,114</u>	<u>135,652,741</u>	<u>53,185,784</u>	<u>28,554,528</u>	<u>31,117,288</u>	<u>14,677,773</u>
OPERATING LOSS BEFORE SUBSIDIES	(211,900,775)	(107,447,222)	(42,275,268)	(24,571,313)	(24,569,422)	(13,037,550)
FY2022/2023 MEMBER SUBSIDIES INVOICED						
Operating subsidies	210,856,905	108,707,425	41,213,976	23,907,900	22,919,200	14,108,404
Self-insurance subsidy	18,943,831	9,244,002	4,774,188	1,982,908	2,305,543	637,190
Total Member Subsidies	<u>229,800,736</u>	<u>117,951,427</u>	<u>45,988,164</u>	<u>25,890,808</u>	<u>25,224,743</u>	<u>14,745,594</u>
NET INCOME	<u>\$ 17,899,961</u>	<u>\$ 10,504,205</u>	<u>\$ 3,712,896</u>	<u>\$ 1,319,495</u>	<u>\$ 655,321</u>	<u>\$ 1,708,044</u>

See Independent Accountant's Report and Notes to Schedule of Subsidy Allocation by County.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Southern California Regional Rail Authority (SCRRA) is an independent entity created in August 1991 through a joint exercise of powers agreement (JPA). SCRRA began operating the “Metrolink” regional commuter rail system in October 1992. The member agencies of the JPA are (1) Los Angeles County Metropolitan Transportation Authority (Metro), (2) Orange County Transportation Authority (OCTA), (3) Riverside County Transportation Commission (RCTC), San Bernardino County Transportation Authority (SBCTA), and (4) Ventura County Transportation Commission (VCTC). The member agencies acquired the rail network in existence at the time the JPA was established for use in Metrolink’s commuter rail operations. This railroad network is not included as part of SCRRA’s railroad network capital assets. The member agencies retain title to and ownership of those assets. As part of the JPA, SCRRA is responsible for the related maintenance and operation of members’ assets and rail right-of-way used in operations.

In addition, certain members retain responsibility to maintain segments of their railroad network. The Metrolink railroad network consists of capital assets created as a result of new capital construction and major capital improvement projects. Currently, there are 538 route miles with 62 stations in the Metrolink system throughout Los Angeles, Orange, Riverside, San Bernardino, Ventura, and San Diego counties.

SCRRA is governed by a Board of Directors comprised of 11 members appointed by the voting members of the JPA. The member agencies with their respective number of votes are as follows:

Los Angeles County Metropolitan Transportation Authority (Metro)	4
Orange County Transportation Authority (OCTA)	2
Riverside County Transportation Commission (RCTC)	2
San Bernardino County Transportation Authority (SBCTA)	2
Ventura County Transportation Commission (VCTC)	1

SCRRA is not considered to be a component unit of any other reporting entity.

Basis of Accounting

Revenues and expenditures are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Revenue Recognition

SCRRA receives approximately half of its funding from fares and other operating revenues, and the balance of its funding comes from its member agencies. The majority of sources for transportation funds in these counties are local sales taxes (with the exception of Ventura County), State Rail Bond funds, State Transit Assistance funds, State Highway Account funds, State Transit Capital Improvement funds, and Federal Transit Administration Capital funds.

Southern California Regional Rail Authority (SCRRA)
MOU No. P0SCRA2023
Notes to the Schedule of Subsidy Allocation by County
Year ended June 30, 2023

NOTE 2 MEMORANDUM OF UNDERSTANDING (MOU)

SCRRA (grantee) and Metro (grantor) entered into MOU No. 9400000000SCRA2023 (P0SCRA2023), which is effective beginning July 1, 2022 through June 30, 2027, for the purpose of providing funding to SCRRA during the fiscal year (FY) 2022/2023 for Metro’s financial commitments to the FY 2022/2023 budget as required by the JPA. Metro’s Board of Directors approved its financial commitments at its May 27, 2022 board meeting.

In accordance with the MOU, Metro will make available to SCRRA the following allocation of funds (Funds) for the Metro’s share of the FY 2022/2023 budget in the amounts of:

- a. \$120,454,842 for commuter rail operations, using new Proposition C 10%. SCRRA will be paid according to the following schedule, unless altered by mutual written agreement;

July 15, 2022	\$	36,001,497
October 1, 2022		28,151,115
January 1, 2023		28,151,115
April 1, 2023		28,151,115
	\$	<u>120,454,842</u>

- b. \$50,725,283 for new rehabilitation and renovation projects approved and programmed for FY 2022/2023 using Measure R 3% funds.

The FY 2022/2023 member subsidy invoiced to Metro of \$117,951,427 reported in the Schedule of Subsidy Allocation by County is part of the above funds allocated to SCRRA.

Details of the receipts and uses of funds for the year ended June 30, 2023 are as follows:

Fund	Description	[a] Approved Funding	[b] Receipts	[c] Reprogrammed **	[=a - b - c] Funding Balance	[d] Expenditures	[e] Application of Surplus	[=(b + c) - d + e] Net Surplus/ (Deficit)
Prop C 10%	Operations	\$ 120,454,842	\$ 117,951,427	\$ -	\$ 2,503,415	\$ 107,447,222	\$ (1,195,200) ^a	\$ 9,309,005
Measure R 3%	Rehabilitation and Renovation	50,725,283	-	-	50,725,283	470		(470)
		<u>\$ 171,180,125</u>	<u>\$ 117,951,427</u>	<u>\$ -</u>	<u>\$ 53,228,698</u>	<u>\$ 107,447,692</u>	<u>\$ (1,195,200)</u>	<u>\$ 9,308,535</u>

** Reprogrammed from the deferred revenue already in SCRRA's possession.

^a Application of FY22/23 surplus against FY21/22 deficit.

Southern California Regional Rail Authority (SCRRRA)
MOU No. P0SCRA2023
Notes to the Schedule of Subsidy Allocation by County
Year ended June 30, 2023

NOTE 3 STATUS OF PRIOR YEARS' MOU

Details of the receipts and uses of funds of prior years' open MOUs are as follows:

MOU# P0SCRRRA2022			[a]	[b]	[c]	[=a - b - c]	[d]	[e]	[=(b + c) - d + e]
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)
Prop C 10%	Operations	2022	\$ 98,379,438	\$ 98,379,438	\$ -	\$ -	\$ 102,740,371	\$ -	\$ (4,360,933)
		2023	-	-	-	-	-	1,907,700 ^a	1,907,700
									<u>(2,453,233)</u>
Prop C 10%	Track and Signal Mobilization Cost	2022	1,548,164	-	-	1,548,164	-	-	-
		2023	-	-	-	-	-	-	-
						<u>1,548,164</u>			<u>-</u>
Measure R 3%	Rehabilitation and Renovation	2022	33,349,794	-	9,349,794 ^b	24,000,000	-	-	9,349,794
		2023	-	3,254,984	-	(3,254,984)	480,748	-	2,774,236
						<u>20,745,016</u>			<u>12,124,030</u>
			\$ 133,277,396	\$ 101,634,422	\$ 9,349,794	\$ 22,293,180	\$ 103,221,119	\$ 1,907,700	\$ 9,670,797

^a Application of FY18/19 and FY22/23 surplus against FY21/22 deficit.

^b Application of FY20/21 Fare Revenue Loss surplus, FY16/17 rehabilitation and renovation projects surplus, and others.

MOU# P0SCRRRA2021			[a]	[b]	[c]	[=a - b - c]	[d]	[e]	[=(b + c) - d + e]
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)
Prop C 10%	Operations	2021	\$ 74,089,000	\$ 74,088,751	\$ -	\$ 249	\$ 105,260,006	\$ -	\$ (31,171,255)
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
						<u>249</u>			<u>(31,171,255)</u>
Prop C 10%	Fare Revenue Loss	2021	35,000,000	-	-	35,000,000	-	-	-
		2022	-	12,231,108	-	(12,231,108)	-	(5,836,102) ^a	6,395,006
		2023	-	-	-	-	-	-	-
						<u>22,768,892</u>			<u>6,395,006</u>
Prop C 10%	Facilities MOU Supplement	2022	500,000	-	456,357 ^b	43,643	456,357	-	-
Measure R 3%	Rehabilitation and Renovation	2021	20,000,000	-	-	20,000,000	256	-	(256)
		2022	-	54,326	-	(54,326)	2,187,571	-	(2,133,245)
		2023	-	3,511,840	-	(3,511,840)	3,624,047	-	(112,207)
						<u>16,433,834</u>			<u>(2,245,708)</u>
			\$ 129,589,000	\$ 89,886,025	\$ 456,357	\$ 39,246,618	\$ 111,528,237	\$ (5,836,102)	\$ (27,021,957)

^a Application of surplus for FY21/22 rehabilitation and renovation projects.

^b Application of FY18/19 surplus for FY21/22 LA County Right of Way (ROW) maintenance outside 20 feet in excess of the Maintenance MOU funding.

MOU# P0SCRRRA2020			[a]	[b]	[c]	[=a - b - c]	[d]	[e]	[=(b + c) - d + e]	
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)	
Prop C 10%	Operations	2020	\$ 80,077,793	\$ 74,751,474	\$ 3,237,526 ^a	\$ 2,088,793	\$ 82,659,304	\$ -	\$ (4,670,304)	
		2021	-	-	-	-	-	-	-	
		2022	-	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-	-
						<u>2,088,793</u>			<u>(4,670,304)</u>	
Prop C 10%	Right of Way	2020	2,522,962	-	-	2,522,962	2,522,962	-	(2,522,962)	
		2021	-	2,522,962	-	(2,522,962)	-	-	2,522,962	
		2022	-	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-	-
									<u>-</u>	
Prop C 10%	Facilities MOU Supplement	2020	500,000	-	396,600 ^b	103,400	396,600	-	-	
Measure R 3%	Rehabilitation and Renovation	2020	33,352,440	21,323	3,900,000 ^c	29,431,117	964,830	-	2,956,493	
		2021	-	527,342	-	(527,342)	3,555,607	-	(3,028,265)	
		2022	-	4,903,846	-	(4,903,846)	13,064,866	-	(8,161,020)	
		2023	-	11,726,083	-	(11,726,083)	5,231,579	-	6,494,504	
						<u>12,273,846</u>			<u>(1,738,288)</u>	

Southern California Regional Rail Authority (SCRRA)
MOU No. P0SCRA2023
Notes to the Schedule of Subsidy Allocation by County
Year ended June 30, 2023

NOTE 3 STATUS OF PRIOR YEARS' MOU (CONTINUED)

MOU# P0SCRRRA2020 (Continued)			[a]	[b]	[c]	[a - b - c]	[d]	[e]	[=(b + c) - d + e]
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)
Prop C 10%	Special Event	2020	\$ 125,000	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
							125,000		
			\$ 116,578,195	\$ 94,453,030	\$ 7,534,126	\$ 14,591,039	\$ 108,395,748	\$ -	\$ (6,408,592)

- ^a Application of FY17/18 surplus for rail operations.
- ^b Application of FY18/19 surplus for FY21/22 LA County ROW maintenance outside 20 feet in excess of the Maintenance MOU funding.
- ^c Application of FY16/17 surplus for rehabilitation and renovation program.

MOU# P0SCRRRA29			[a]	[b]	[c]	[a - b - c]	[d]	[e]	[=(b + c) - d + e]	
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)	
Prop C 10%	Operations	2019	\$ 75,119,645	\$ 71,643,540	\$ 1,910,855	\$ 1,565,250	\$ 72,256,826	\$ -	\$ 1,297,569	
		2020	-	1,216,782	-	(1,216,782)	-	(384,538) ^a	832,244	
		2021	-	-	-	-	-	(396,600) ^b	(396,600)	
		2021	-	-	-	-	-	(416,722) ^c	(416,722)	
		2022	-	-	-	-	-	(456,357) ^b	(456,357)	
		2022	-	-	-	-	-	361,503 ^d	361,503	
		2023	-	-	-	-	-	(712,500) ^e	(712,500)	
		2023	-	-	-	-	-	(49,119) ^f	(49,119)	
		2023	-	-	-	-	-	(10,086) ^g	(10,086)	
		2023	-	-	-	-	-	(4,747) ^h	(4,747)	
							348,468			445,185
		Prop C 10%	Right of Way	2019	2,449,478	-	2,449,478 ⁱ	-	2,449,478	-
Homeless Outreach	2019			500,000	-	500,000 ^j	-	-	-	500,000
	2020			-	-	-	-	-	-	-
Maintenance MOU	2019			500,000	-	500,000 ^j	-	-	-	500,000
	2020			-	-	-	-	-	-	-
	2021			-	-	-	-	-	-	-
2022	-			-	-	-	-	-	-	
2023	-	-	-	-	-	-	-			
								1,000,000		
Measure R 3%	Rehabilitation and Renovation TVD Project	2019	35,031,193	-	-	35,031,193	513,567	-	(513,567)	
		2019	5,000,000	-	-	5,000,000	223,424	-	(223,424)	
		2020	-	2,194,768	-	(2,194,768)	4,678,181	-	(2,483,413)	
		2021	-	6,208,505	-	(6,208,505)	6,028,818	-	179,687	
		2022	-	3,232,219	-	(3,232,219)	5,407,431	-	(2,175,212)	
		2023	-	8,306,684	-	(8,306,684)	6,247,054	-	2,059,630	
							20,089,017			(3,156,299)
Measure R 3%	Tunnel 25 Urgent Track, Ties and Drainage Rehab	2019	750,000	-	750,000 ⁱ	-	-	-	750,000	
		2020	-	-	-	-	127,006	-	(127,006)	
		2021	-	-	-	-	65,475	-	(65,475)	
		2022	-	-	-	-	38,077	-	(38,077)	
		2023	-	-	-	-	-	-	-	
								519,442		
Prop C 10%	Capital Projects PSRs	2019	950,000	-	950,000 ^j	-	-	-	950,000	
		2020	-	-	-	-	629,462	-	(629,462)	
		2021	-	-	-	-	153,682	-	(153,682)	
		2022	-	-	-	-	73,374	-	(73,374)	
		2023	-	-	-	-	-	-	-	
								93,482		
Prop C 10%	Special Event	2019	250,000	84,155	-	165,845	199,952	-	(115,797)	
		2020	-	32,723	-	(32,723)	-	-	32,723	
		2021	-	-	-	-	-	-	-	
		2022	-	-	-	-	-	-	-	
		2023	-	-	-	-	-	-	-	
					133,122			(83,074)		
			\$ 120,550,316	\$ 92,919,376	\$ 7,060,333	\$ 20,570,607	\$ 99,091,807	\$ (2,069,166)	\$ (1,181,264)	

- ^a Application of surplus for Central Maintenance Facility Noise Study (CMF) and Marketing Initiative programs.
- ^b Application of surplus for FY21/22 LA County ROW maintenance outside 20 feet in excess of the Maintenance MOU funding.
- ^c Application of surplus for facilities maintenance, Burbank Station Cleaning Project and security fence at Sherman Way/Lankershim Blvd.
- ^d Return of the unused reprogrammed fund for CEO Initiative project.
- ^e Application of surplus against FY20/21 deficit.
- ^f Application of surplus for FY20/21 LA County ROW maintenance outside 20 feet in excess of the Maintenance MOU funding.
- ^g Application of surplus for Burbank MLK Station Cleaning and Trash Pick-up.
- ^h Application of surplus for Project 881596.
- ⁱ Application of FY16/17 surplus for Right-of-Way Security.
- ^j Application of deferred revenue already in SCRRA's possession.

Southern California Regional Rail Authority (SCRRRA)
MOU No. P0SCRA2023
Notes to the Schedule of Subsidy Allocation by County
Year ended June 30, 2023

NOTE 3 STATUS OF PRIOR YEARS' MOU (CONTINUED)

MOU# P0SCRRRA28

<u>Fund</u>	<u>Description</u>	<u>Year</u>	<u>[a]</u> <u>Approved</u> <u>Funding</u>	<u>[b]</u> <u>Receipts</u>	<u>[c]</u> <u>Reprogrammed</u>	<u>[a - b - c]</u> <u>Funding</u> <u>Balance</u>	<u>[d]</u> <u>Expenditures</u>	<u>[e]</u> <u>Application of</u> <u>Surplus</u>	<u>[=(b + c) - d + e]</u> <u>Net Surplus/</u> <u>(Deficit)</u>	
Prop C 10%	Operations	2018	\$ 71,658,558	\$ 71,658,558	\$ -	\$ -	\$ 68,421,032	-	\$ 3,237,526	
		2019	-	-	-	-	-	-	-	
		2020	-	-	-	-	-	-	(3,237,526) ^a	(3,237,526)
		2021	-	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-	-
						-			-	
Prop C 10%	Right of Way	2018	2,360,550	1,733,121	-	627,429	2,310,789	-	(577,668)	
		2019	-	577,707	-	(577,707)	-	-	577,707	
		2020	-	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-	-
						-			-	
						49,722			39	
Measure R 3%	Rehabilitation and Renovation	2018	6,819,206	-	206 ^b	6,819,000	2,127	-	(1,921)	
		2019	-	37,710	-	(37,710)	50,890	-	(13,180)	
		2020	-	3,304,741	-	(3,304,741)	3,629,305	-	(324,564)	
		2021	-	501,536	-	(501,536)	710,451	-	(208,915)	
		2022	-	1,244,299	-	(1,244,299)	1,192,072	-	52,227	
						-	622,982	440,208	182,774	
						1,107,732			(313,579)	
Prop C 10%	Special Event	2018	250,000	-	-	250,000	128,259	-	(128,259)	
		2019	-	155,299	-	(155,299)	66,289	-	89,010	
		2020	-	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-	-
						-	94,701	-	(39,249)	
			\$ 81,088,314	\$ 79,835,953	206	\$ 1,252,155	\$ 76,951,422	(3,237,526)	\$ (352,789)	

^a Application of surplus for FY19/20 rail operations.

^b Application of FY15/16 surplus for the rehabilitation and renovation program.

MOU# P0SCRRRA27

<u>Fund</u>	<u>Description</u>	<u>Year</u>	<u>[a]</u> <u>Approved</u> <u>Funding</u>	<u>[b]</u> <u>Receipts</u>	<u>[c]</u> <u>Reprogrammed</u>	<u>[a - b - c]</u> <u>Funding</u> <u>Balance</u>	<u>[d]</u> <u>Expenditures</u>	<u>[e]</u> <u>Application of</u> <u>Surplus</u>	<u>[=(b + c) - d + e]</u> <u>Net Surplus/</u> <u>(Deficit)</u>	
Prop C 10%	Operations	2017	\$ 71,795,000	\$ 71,795,000	\$ -	\$ -	\$ 66,497,200	-	\$ 5,297,800	
		2018	-	-	-	-	-	-	-	
		2019	-	-	-	-	-	-	(1,910,855) ^a	(1,910,855)
		2019	-	-	-	-	-	-	(2,449,478) ^b	(2,449,478)
		2019	-	-	-	-	-	-	(154,747) ^c	(154,747)
		2019	-	-	-	-	-	-	(985,923) ^d	(985,923)
		2020	-	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-	-
						-			(203,203)	
Prop C 10%	Right of Way	2017	2,360,551	2,360,551	-	-	2,358,526	-	2,025	
		2018	-	-	-	-	-	-	-	
		2019	-	-	-	-	-	-	-	
		2020	-	-	-	-	-	-	-	
		2021	-	-	-	-	-	-	-	
						-			2,025	
Measure R 3%	Rehabilitation and renovation	2017	41,678,525	-	-	41,678,525	4,028,759	-	(4,028,759)	
		2018	-	10,902,866	-	(10,902,866)	16,058,677	-	(5,155,811)	
		2019	-	10,741,842	-	(10,741,842)	9,278,385	-	1,463,457	
		2020	-	8,852,998	-	(8,852,998)	7,555,847	(3,900,000) ^e	(2,602,849)	
		2021	-	4,259,061	-	(4,259,061)	321,596	-	3,937,465	
		2022	-	106,874	-	(106,874)	(2,190,916)	(2,431,044) ^f	(133,254)	
						-	1,909	-	141,539	
						6,671,436			(6,378,212)	

Southern California Regional Rail Authority (SCRRRA)
MOU No. P0SCRA2023
Notes to the Schedule of Subsidy Allocation by County
Year ended June 30, 2023

NOTE 3 STATUS OF PRIOR YEARS' MOU (CONTINUED)

MOU# P0SCRRRA27 (Continued)			[a]	[b]	[c]	[=a - b - c]	[d]	[e]	[=(b + c) - d + e]
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)
Measure R 3%	Capital Project PSRs	2017	618,000	-	-	618,000	-	-	-
		2018	-	-	-	-	-	-	-
		2019	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
						618,000			-
Prop C 10%	Special Event	2017	100,000	-	-	100,000	55,394	-	(55,394)
		2018	-	8,322	-	(8,322)	72,747	-	(64,425)
		2019	-	76,995	-	(76,995)	-	-	76,995
		2020	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
						14,683			(42,824)
			\$ 116,552,076	\$ 109,247,957	\$ -	\$ 7,304,119	\$ 104,038,124	\$ (11,832,047)	\$ (6,622,214)

- ^a Application of surplus for FY18/19 rail operations.
- ^b Application of surplus for FY18/19 Right-of-Way Security.
- ^c Application of surplus for Burbank Airport South Trash Pickup, Maintenance and cover shortfall for Capital Projects.
- ^d Application of surplus for FY18/19 San Bernardino Line 25% Fare Discount
- ^e Application of surplus for FY19/20 rehabilitation and renovation program.
- ^f Application of surplus for FY21/22 rehabilitation and renovation projects.

MOU# P0SCRRRA25			[a]	[b]	[c]	[=a - b - c]	[d]	[e]	[=(b + c) - d + e]
Fund	Description	Year	Approved Funding	Receipts	Reprogrammed	Funding Balance	Expenditures	Application of Surplus	Net Surplus/ (Deficit)
Prop C 10%	Operations	2015	\$ 59,683,000	\$ 58,596,771	\$ -	\$ 1,086,229	\$ 59,029,731	\$ -	\$ (432,960)
		2016	-	-	-	-	-	-	-
		2017	-	-	-	-	-	-	-
		2018	-	-	-	-	-	-	-
		2019	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
								1,086,229	
Prop C 10% PTMISEA Measure R 3%	Rehabilitation and renovation	2015	16,375,000	-	-	16,375,000	35,633	-	(35,633)
		2016	-	6,461,650	-	(6,461,650)	10,197,089	-	(3,735,439)
		2017	-	5,252,032	-	(5,252,032)	3,435,875	-	1,816,157
		2018	-	2,694,353	-	(2,694,353)	1,160,661	-	1,533,692
		2019	-	1,110,186	-	(1,110,186)	697,671	-	412,515
		2020	-	257,315	-	(257,315)	-	-	257,315
		2021	-	76,347	-	(76,347)	2,329	-	74,018
2022	-	177	-	(177)	177	-	-		
2023	-	-	-	-	-	-	-		
						522,940		322,625	
Prop C 10%	Right of Way	2015	2,305,108	1,728,831	-	576,277	2,173,110	-	(444,279)
		2016	-	576,277	-	(576,277)	-	-	576,277
		2017	-	-	-	-	-	-	-
		2018	-	-	-	-	-	-	-
		2019	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
		2023	-	-	-	-	-	-	-
						-		131,998	
Prop C 10%	Special Event	2015	100,000	49,217	-	50,783	-	-	49,217
		2016	-	39,677	-	(39,677)	-	-	39,677
		2017	-	-	-	-	-	-	-
		2018	-	-	-	-	-	-	-
		2019	-	-	-	-	-	-	-
		2020	-	-	-	-	-	-	-
		2021	-	-	-	-	-	-	-
		2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-		
						11,106		88,894	
			\$ 78,463,108	\$ 76,842,833	\$ -	\$ 1,620,275	\$ 76,732,276	\$ -	\$ 110,557

EXHIBITS

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2022
Reconciliation of the Schedule of Subsidy Allocation to ACFR
Year ended June 30, 2023

	<u>Revenues</u>	<u>Expenses</u>
Per Schedule of Subsidy Allocation	\$ 51,287,339	\$ 263,188,114
<u>Reconciling items:</u>		
OPERATING REVENUE/EXPENSES:		
Fare revenues	(236,941)	-
Maintenance-of-Way	18,189,346	12,075,125
Third party agreements ^{1}	-	18,127,535
Rehabilitation and renovation - capital ^{1}	(797,020)	92,021,596
Public liability and property damage	57,488	(2,292,512)
Depreciation ^{1}	-	51,594,483
	<u>17,212,873</u>	<u>171,526,227</u>
Per ACFR - Operating Revenues and Expenses	<u>\$ 68,500,212</u>	<u>\$ 434,714,341</u>

Notes:

^{1}Not allocated to the members

Revenues and expenses in the Schedule of Subsidy Allocation by County do not include revenues and expenses relating to Third-party participation agreements.

Third-party participation agreements (TPA) are items such as charter train services, construction of major capital facilities on behalf of third parties, and flagging personnel provided by SCRRA for the safety of non-SCRRA personnel accessing the rail right-of-way. SCRRA's policy regarding third-party agreements is that they should be self-supporting. Projects are billed up-front to third parties and a reconciliation of actual costs against payments are reconciled at project completion. The excess of expenses over revenue is attributed by unbilled project costs at year-end.

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2022
Methods of Allocation Used and the Types of Revenues and Expenses
Year ended June 30, 2023

Budget Item	FY22-23 Agreed Allocation
Train Mile Allocation	
Train Operations	Train Miles - Current
Fuel	Train Miles - Current
Operating Contingency	Train Miles - Current
Direct to Line Segments/Territories	
Rail Agreements	Direct to Lines/Then to Members
MOW - Line Segments	Train Miles of Service on Territory
MOW - Extra-Ordinary maintenance	Train Miles of Service on Territory
Holiday Trains	Direct to Lines/Then to Members
Amtrak Transfers	Direct to Lines/Then to Members
Route Miles Dispatched	
Dispatching	Route Miles Dispatched
Ridership/Revenue Distributions	
Transfers to Other Operators	Ridership/Revenue Distribution
Supplemental Additional Security	Ridership/Revenue Distribution
Base Allocation	
Equipment Maintenance	75% Train Miles - Lagged/25% Unduplicated Stations
Operating Contingency (Bombardier)	Train Miles - Lagged
Non-Scheduled Rolling Stock Repairs	Train Miles - Lagged
Operating Facilities Maintenance	Train Miles - Lagged
Other Operating Train Services	Unduplicated Route Miles (excluding San Diego County)
Security - Sheriff	Train Miles - Lagged
Security - Guards	Unduplicated Route Miles (excluding San Diego County)
Public Safety Program	Unduplicated Route Miles (excluding San Diego County)
Utilities/Leases	Unduplicated Route Miles (excluding San Diego County)
Passenger Relations - Call Boxes	Unduplicated Stations
Contingency (Non-Train Operating)	Unduplicated Route Miles (excluding San Diego County)
TAP Vending Maching (TVM)	
Maintenance/Revenue Collection	TVMS
Station Maintenance - Non-Union Station	Unduplicated Stations
Station Maintenance - Union Station	Revenue Moves thru Los Angeles Union Station (LAUS)
Passenger Service Representatives	Unduplicated Route Miles (excluding San Diego County)
Passenger Relations - Call Center/Other	Ridership Distribution Lagged
Marketing/Market Research	Ridership Distribution Lagged
Media and External Communications	Unduplicated Route Miles (excluding San Diego County)
Liability/Property/Auto	Train Miles - Lagged
Claims	Train Miles - Lagged
Claims Administration	Train Miles - Lagged
Salaries and Fringe Benefits	Unduplicated Route Miles (excluding San Diego County)
Non-Labor Costs	Unduplicated Route Miles (excluding San Diego County)
Allocated Overhead	Unduplicated Route Miles (excluding San Diego County)
Services	Unduplicated Route Miles (excluding San Diego County)

Southern California Regional Rail Authority (SCRRRA)
MOU No. SCRA2023
Schedule of Funds Received for Proposition C 10% and Measure R 3%
Year ended June 30, 2023

Proposition C 10% Fund	
P0SCRRA2023	\$ <u>117,951,427</u>
	<u>117,951,427</u>
Measure R 3% Fund	
P0SCRRA27	143,448
P0SCRRA28	622,982
P0SCRRA29	8,306,684
P0SCRA2020	11,726,083
P0SCRA2021	3,511,840
P0SCRA2022	3,254,984
MRROTEMSET	346,398
MRBRIGHTRX	42,823
DORANSCRRA	14,877
SCRRALHW	279,721
SCRRAMRLUS	4,123
SCRALINK	290,654
MRTVMLACTY	280,318
	<u>28,824,935</u>
Total funds received	\$ <u><u>146,776,362</u></u>

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Comparative Analysis of Unearned Revenue
(Dollar Amounts in Thousands)
Years ended June 30, 2023 and 2022

	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER</u>	<u>TOTAL</u>
Unearned revenue at June 30, 2022	\$ 4,135	\$ 11,690	\$ 830	\$ 23,352	\$ 24,264	\$ 21,236	\$ 85,507
2023 Activities							
Operating surplus (deficit)	8,182	1,956	1,031	439	1,600	-	13,208
CARES Act funding	-	(8,500)	12	841	19,229	1,205	12,787
Preventive maintenance surplus (deficit)	-	-	(12)	(14,522)	(21,749)	(376)	(36,659)
Unearned fare revenue	-	-	-	-	-	54	54
Capital projects surplus (deficit)	1,608	155	107	542	(74)	(9)	2,329
Restricted Prop1B	(552)	-	-	-	(125)	(2,116)	(2,793)
Unearned revenue at June 30, 2023	\$ 13,373	\$ 5,301	\$ 1,968	\$ 10,652	\$ 23,145	\$ 19,994	\$ 74,433 *

* Breakdown per activity

	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER</u>	<u>TOTAL</u>
Unearned revenue components:							
Operating surplus	\$ 9,754	\$ 3,593	\$ 1,161	\$ 922	\$ 2,284	\$ -	\$ 17,714
CARES Act funding	-	-	12	841	19,229	1,205	21,287
Preventive maintenance surplus	-	-	-	4,000	-	-	4,000
Unearned fare revenue	-	-	-	-	-	172	172
Capital projects surplus	3,619 **	1,708	795	4,889	1,632	687	13,330
Restricted Prop1B	-	-	-	-	-	17,930	17,930
Unearned revenue, June 30, 2023	\$ 13,373	\$ 5,301	\$ 1,968	\$ 10,652	\$ 23,145	\$ 19,994	\$ 74,433

** See Exhibit V.

	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER</u>	<u>TOTAL</u>
Unearned revenue at June 30, 2021	\$ 4,889	\$ 46,675	\$ 15,468	\$ 33,710	\$ 26,885	\$ 30,663	\$ 158,290
2022 Activities							
Operating surplus (deficit)	(95)	(3,365)	(8,540)	482	274	-	(11,244)
CARES Act funding	-	(33,202)	(6,098)	(7,605)	(2,743)	229	(49,419)
Preventive maintenance surplus (deficit)	-	1,582	-	(3,235)	388	-	(1,265)
Unearned fare revenue	-	-	-	-	-	2	2
Capital projects surplus (deficit)	(430)	-	-	-	(542)	(232)	(1,204)
Restricted Prop1B	(229)	-	-	-	2	(9,426)	(9,653)
Unearned revenue at June 30, 2022	\$ 4,135	\$ 11,690	\$ 830	\$ 23,352	\$ 24,264	\$ 21,236	\$ 85,507 *

* Breakdown per activity

	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>	<u>OTHER</u>	<u>TOTAL</u>
Unearned revenue components:							
Operating surplus	\$ 1,572	\$ 1,637	\$ 130	\$ 483	\$ 684	\$ -	\$ 4,506
CARES Act funding	-	8,500	-	-	-	-	8,500
Preventive maintenance surplus	-	-	12	18,522	21,749	376	40,659
Unearned fare revenue	-	-	-	-	-	118	118
Capital projects surplus	2,011	1,553	688	4,347	1,706	696	11,001
Restricted Prop1B	552	-	-	-	125	20,046	20,723
Unearned revenue, June 30, 2022	\$ 4,135	\$ 11,690	\$ 830	\$ 23,352	\$ 24,264	\$ 21,236	\$ 85,507

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Capital Project Surplus per MOU and per Project Breakdown
Year ended June 30, 2023

Unearned revenue - Capital projects surplus, June 30, 2022	\$ 2,010,817
2023 Activities	1,608,521
Unearned revenue - Capital projects surplus, June 30, 2023	<u>3,619,338</u>
Earmarked for active/closing projects (see details below)	<u>3,112,260</u>
Currently available for reprogramming	<u>\$ 507,078</u>

List of active/closing projects:

<u>Project Number</u>	<u>Project Name</u>	<u>Award Short Name</u>	<u>Held for Projects</u>
402003	EASTERN AREA MAINT FAC	MOU.POSCRRA12	\$ 43,226
402007	AV CHANGES @ SANTA CLARITA	MOU.POSCRRA12	(19,089)
402011	POMONA STATION IMPROVEMENTS	PRE 2002 CARRY-FORWARD	151,075
405009	HAND-THROW XOVER AT LANCASTER	MOU.POSCRRA15	37
406001	KELLER YARD	MOU.POSCRRA16	175,936
418005	CMF N END CONNECT DES	MOU.POSCRRA29	92,770
503014	TURNOUTS-VN LINE	MOU.POSCRRA12	4,387
503019	TURNOUTS-RIV CORR (E BK)	MOU.POSCRRA12	4,218
503056	FIXED ASSET SYSTEM IMPLMNT	MOU.POSCRRA12	152,291
504006	WOOD TIE PGM-VEN CO LINE (LA)	MOU.POSCRRA13	8,328
504007	WOOD TIE PGM-S.B. LINE	MOU.POSCRRA13	180,629
504024	S&C PGM-SYSTEM	MOU.POSCRRA13	408
505003	RAIL PGM - AV LINE	MOU.POSCRRA15	13,935
505006	WOOD TIE PGM - VC LINE (LA)	MOU.POSCRRA15	35,539
505025	SIG&COM PGM - RIVER	MOU.POSCRRA15	51
505043	ALARMS IN SIGNAL HOUSES	MOU.POSCRRA15	6,732
505047	TUNNEL 26 PHASE 3	MOU.POSCRRA15	162,154
506021	VC LINE TRACK (LA)	MOU.POSCRRA16	54,743
506071	RIVER TRACK	MOU.POSCRRA16	(2,296)
506083	SYSTM SIG	MOU.POSCRRA16	28,032
507022	FY07 VENTURA CO LINE BRIDGE (LA CO)	MOU.POSCRRA17	155
507073	FY07 RIVER SIGNAL	MOU.POSCRRA17	(3,145)
507084	MOW FACILITY PHASE 1	MOU.POSCRRA16	701,215
508086	FY08 VEHICLES - FED	MOU.POSCRRA18	45
519310	VALLEY TNNL 25 TRACK REHAB	MOU.POSCRRA29	484,430
520740	RIVER ATCS/PTC/CIS/BACKHAUL	MOU.POSCRRA2020 A1	118,085
603002	PURCHASE/REBUILD USED LOCOS	MOU.P0008231	63,362
604001	ROLLING STOCK PROCUREMENT	MOU.POSCRRA16	206,234
606001	50 VALIDATORS	MOU.POSCRRA16	(58,212)
611002	LOCO CAMERA SPARE PARTS	MOU.POSCRRA16	836
616XXX	TIER 4 #21-37	MOU.POSCRRA11	500,508
698001	18 NEW TICKET VENDING MACHINES	PRE 2002 CARRY-FORWARD	5,641
			<u>\$ 3,112,260</u>

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Schedule of Contribution to the Self Insurance Reserve by County
Year ended June 30, 2023

	<u>TOTAL</u>	<u>METRO</u>	<u>OCTA</u>	<u>RCTC</u>	<u>SBCTA</u>	<u>VCTC</u>
Member insurance subsidy	\$ 18,943,831	\$ 9,244,002	\$ 4,774,188	\$ 1,982,908	\$ 2,305,543	\$ 637,190
Insurance expense						
Liability/Property/Auto	13,405,787	6,541,620	3,378,495	1,403,222	1,631,537	450,913
Claims/Self-Insurance	381,815	186,314	96,224	39,966	46,468	12,843
Claims administration	1,935,389	944,412	487,752	202,582	235,545	65,098
Total insurance expense	<u>15,722,991</u>	<u>7,672,346</u>	<u>3,962,471</u>	<u>1,645,770</u>	<u>1,913,550</u>	<u>528,854</u>
Surplus	<u>\$ 3,220,840</u>	<u>\$ 1,571,656</u>	<u>\$ 811,717</u>	<u>\$ 337,138</u>	<u>\$ 391,993</u>	<u>\$ 108,336</u>

COMPLIANCE MATRIX

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Compliance Matrix
Year ended June 30, 2023

	Compliance Requirement	In Compliance			Questioned Costs	If no, provided details and management response
		Yes	No	N/A		
1	SCRRA submitted its FY 2022-23 Budget on May 27, 2022 to Metro and the other JPA member agencies of SCRRA.	X				
2	Rehabilitation, renovation, and new capital funds in the amount of \$50,725,283 in Measure R 3% funds were paid for new projects approved and programmed for FY2022-23, as specified in Attachment B of the MOU. SCRRA also submitted Expenditure Plan consistent with Attachment D of the MOU.			X		There were no expenditures charged to the FY2022-23 allocation.
3(a)	SCRRA submitted invoice with Quarterly Progress/Expenditure Report to Metro with sufficient back up documentation.			X		
3(b)	Aggregate SCRRA invoice does not exceed the FY2022-23 approved program amount of \$50,725,283 unless additional funding authority has been provided by Metro.			X		
3(d)	SCRRA and Metro staff conducted a quarterly rehabilitation / renovation and new capital review meeting. SCRRA submitted quarterly expenditure and reconciliation report of the FY2021-22 rehabilitation / renovation and new capital program with the percentage of completion of each project and project numbers.	X				
4	No FY 2022-23 Metro funds were used for previously funded projects except as provided in Article 5 of MOU No. SCRA2023.	X				
5	SCRRA provided Metro with a Quarterly Project Budget Reallocation (PBR) report detailing all PBR fund transfers by fiscal year MOU budget to include the project the funds were transferred from, the project the funds were transferred to, the status of the project after the PBR, what the revised budget is for each PBR project, expenditures to budget, and reason for the PBR transfer.	X				

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Compliance Matrix
Year ended June 30, 2023

	Compliance Requirement	In Compliance			Questioned Costs	If no, provided details and management response
		Yes	No	N/A		
6	SCRRA loaned or exchanged Metro funds: a. SCRRA and Metro agreed the exchange in writing. b. SCRRA ensured that traded funds were utilized for the designated purpose.			X		
7	SCRRA only utilized funding for the specific line items of the approved Operating Budget.	X				
8	SCRRA provided detailed schedule of all funds included in the Deferred Revenue account. The detailed schedule included a beginning balance by MOU and fund type, activities during the fiscal year by project, MOU and fund type (e.g., Proposition C, Measure R, Measure M, PTMSEA, etc.) and an ending balance.	X				
9	SCRRA established and maintained proper accounting procedures, controls, and documentations. SCRRA shall make records available in such a manner that Metro auditors can complete the draft FY 2022-23 audit by February 28, 2024.	X				
10	SCRRA complied with provisions of the JPA as amended.	X				
11	SCRRA indemnified, defended with counsel approved by Metro, and held harmless Metro, its directors, officers, employees and agents from all loss, expense, fines, claims, damages, actions, and liability of any nature whatsoever, without payment thereof by Metro, arising out of anything done or omitted to be done by SCRRA or SCRRA's presence on property owned by Metro, except where the indemnification relationship between the parties is governed by another agreement between the parties, excluding the JPA.	X				

Southern California Regional Rail Authority (SCRRA)
MOU No. SCRA2023
Compliance Matrix
Year ended June 30, 2023

	Compliance Requirement	In Compliance			Questioned Costs	If no, provided details and management response
		Yes	No	N/A		
12	SCRRA has submitted evidence of insurance to the satisfaction of Metro. SCRRA shall maintain, for the duration of this MOU, and/or shall require that SCRRA contractors maintain, levels of insurance coverage equivalent to existing coverage against claims for injuries to persons, or damages to property, which may arise from or in connection with SCRRA rail operations or construction by the SCRRA, its agents, representatives, employees, or subcontractors on Metro property.	X				
13	Invoices referencing MOU No. SCRA2023 shall be sent to the locations provided on the MOU.	X				

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Southern California Regional Rail Authority (SCRRRA)
MOU No. SCRA2023
Status of Findings and Questioned Costs
Year ended June 30, 2023

There were no findings noted.

STATUS OF PRIOR YEAR FINDINGS

Southern California Regional Rail Authority (SCRRRA)
MOU No. SCRA2022
Status of Prior Year Findings
Year ended June 30, 2023

There were no findings noted in prior year.

EXIT CONFERENCE

An exit conference was held on February 12, 2024 with SCRRA's representatives. Those in attendance were:

Vasquez & Company LLP representatives:

 Marialyn Labastilla – Audit Director
 Erica Ong – Audit Manager

Metro representatives:

 Lauren Choi – Senior Director, Audit
 Jay Fuhrman – Manager, Transportation Planning

SCRRA representatives:

 Arnold Hackett – Chief Financial Officer
 Alex Barber – Senior Manager, Finance
 Christine Wilson – Senior Manager, Finance
 Nancy Perez – Senior Accountant, Finance
 Elisabeth Lazuardi – Director, Internal Audit
 Andrew Hong – Senior Auditor, Internal Audit
 David Rogers – Senior Auditor, Internal Audit

Matters discussed:

Results of our examination did not disclose any instance of noncompliance with the Guidelines.

A copy of this report was forwarded to the following SCRRA representatives for comments prior to the issuance of the final report.

 Arnold Hackett – Chief Financial Officer
 Alex Barber – Senior Manager, Finance
 Elisabeth Lazuardi – Director, Internal Audit
 Andrew Hong – Senior Auditor, Internal Audit
 Vivien Avella – Senior Manager, Finance



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