

Eco-Rapid Transit, formerly known as the Orangeline Development Authority, is a joint powers authority (JPA) created to pursue development of a transit system that moves as rapidly as possible, uses grade separation as appropriate, and is environmentally friendly and energy efficient. The system is designed to enhance and increase transportation options for riders of this region utilizing safe, advanced transit technology to expand economic growth that maximizes ridership in Southern California. The Authority is composed of the following public agencies:

- City of Artesia
- City of Bell
- City of Bell Gardens
- City of Cudahy
- City of Downey
- City of Glendale
- City of Huntington Park
- City of Maywood
- City of Paramount
- City of South Gate
- Burbank-Glendale-Pasadena Airport Authority

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Councilmember
City of Huntington Park

Vice-Chair

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Mayor
City of Artesia

Secretary

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Councilmember
City of Downey

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Jose R. Gonzalez
Mayor
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Executive Director

Michael R. Kodama

General Counsel

Teresa L. Highsmith

Ex-Officio

William Rawlings
City Manager Representative

AGENDA REPORT

TO: Members of Eco-Rapid Transit
FROM: Michael Kodama, Executive Director
DATE: September 9, 2020
SUBJECT: **AUTHORIZATION TO RETAIN MOSS, LEVY & HARTZHEIM, LLP TO CONDUCT FY 18/19 AND FY 19/20 FINANCIAL AUDIT IN THE AMOUNT OF \$20,000**

Public comments on items on the agenda will be taken at the time the item is called and are limited to 3 minutes per speaker.

ISSUE

Audited financials are required for fiscal year 18/19 and 19/20 in order to satisfy requirements with the State of California. Staff seeks authorization to retain Moss, Levy & Hartzheim, LLP to conduct FY 18/19 and FY 19/20 Financial Audit in the Amount of \$20,000. Staff also seeks approval for a FY 19/20 budget amendment in the amount of \$10,000 in FY 19/20 to transfer funds from office supplies and meeting expenses to cover costs of the FY 18/19 audit.

BACKGROUND

On March 1, 2019, the role of Eco-Rapid’s Lead Agency was transferred from the City of Bellflower to the City of Artesia. At that time, financial auditing services were retained on behalf of Eco-Rapid Transit to conduct a financial audit in the amount of \$7,506.07 for the period of July 1, 2018 to February 28, 2019 in preparation of this fiduciary transfer.

While staff hoped to build upon this effort and prepare an audit for the final part of the fiscal year (March 1 to June 30, 2019), the State Controller’s Office indicated that they want Eco-Rapid Transit to submit audited financials that encompassed the entire fiscal year rather than two audits covering parts of the year.

On June 15, 2020, Eco-Rapid Transit released a Request for Proposal to solicit professional auditing services to conduct a financial audit for FY 18/19 and FY 19/20. Proposals were received from Moss, Levy & Hartzheim, LLP and Fedak & Brown LLP. To maintain consistency during this fiduciary transition, it is our recommendation that Eco-Rapid Transit engage the services of Moss, Levy & Hartzheim, LLP, who has conducted previous financial audits for Eco-Rapid Transit to complete the financial audit for FY 18/19 in its entirety and also FY 19/20.

FISCAL IMPACT

This results in a need to adjust the final FY 19/20 budget in the amount of \$10,000 to conduct a full audit for FY 18/19. Therefore, staff also requests approval of the Board of Directors to authorize a budget line item transfer from unused dollars in



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meeting expenses (\$5,000) and office supplies (\$5,000) to professional services in the amount of \$10,000 for FY 19/20.

RECOMMENDATION

It is recommended that the Board:

1. Authorize the retention of Moss, Levy & Hartzheim, LLP per perform the financial audit in the amount of \$10,000 for FY 18/19 and in the amount of \$10,000 for FY 19/20.
2. Authorize a budget line item transfer from meeting expenses (\$5,000) and office supplies (\$5,000) to professional services in the amount of \$10,000 for FY 19/20 to be used to cover the cost to perform the full FY 18/19 financial audit.