




January 26, 1999

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

TO: BOARD OF DIRECTORS

FROM: TERRY MATSUMOTO 
EXECUTIVE OFFICER, FINANCE

**SUBJECT: COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1998**

Attached for your review is the MTA's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 1998. The CAFR includes the MTA's audited financial statements and auditors' opinion thereon.

The MTA's auditors, PricewaterhouseCoopers LLP (PWC), have issued an "except for", qualified opinion. The exception relates to Year 2000 issues. Please refer to the Report of Independent Accountants, page 17 of the CAFR, third paragraph. PWC advised that this exception will appear in its opinions on the financial statements of all of its governmental clients until the entities' Year 2000 issues are finally resolved.

Please call me at 213-922-2473 if you have any questions about the CAFR.

Attachment