

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT**

Independent Auditor's Report on Compliance with the
Public Transportation Modernization, Improvement,
and Service Enhancement Account (PTMISEA) Guidelines;
and Report on Schedule of PTMISEA Funds

For the year ended June 30, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE PUBLIC TRANSPORTATION
MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT GUIDELINES;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF PUBLIC
TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT
FUNDS

Board of Directors
San Francisco Bay Area Rapid Transit District
Oakland, California

**Report on Compliance for the Public Transportation Modernization, Improvement, and Service
Enhancement Account (PTMISEA) Guidelines**

Opinion on the PTMISEA Program

We have audited the San Francisco Bay Area Rapid Transit District's (District) compliance with the types of compliance requirements identified as subject to audit in the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines published by the California Department of Transportation that could have a direct and material effect on the District's PTMISEA program for the year ended June 30, 2023.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the PTMISEA program for the year ended June 30, 2023.

Basis for Opinion on the PTMISEA Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements specified in the PTMISEA Guidelines. Our responsibilities under those standards and PTMISEA program are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the PTMISEA program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the PTMISEA program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the PTMISEA Guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the PTMISEA program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the PTMISEA Guidelines, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the PTMISEA Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the PTMISEA program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the PTMISEA program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the PTMISEA program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the PTMISEA Guidelines. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Public Transportation Modernization, Improvement, And Service Enhancement Account Funds

We have audited the financial statements of the business-type activities and the fiduciary activities of the District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated **Report Date**, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Public Transportation Modernization, Improvement, And Service Enhancement Account Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Public Transportation Modernization, Improvement, And Service Enhancement Account Funds is fairly stated in all material respects in relation to the basic financial statements as a whole.

San Francisco, California
Report Date

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Schedule of Public Transportation Modernization, Improvement, and
Service Enhancement Account Funds
For the year ended June 30, 2023
(Dollar amounts in thousands)

	Grant Balance				Interest Balance						Total
	Grant Fund Balance, Beginning of Year	Funding Realignment	Grants Received	Project Costs Incurred	Grant Fund Balance, End of Year	Interest Balance, Beginning of Year	Funding Realignment	Interest Earned*	Project Costs Incurred	Interest Balance, End of Year	Grant Fund Balance, End of Year
eBART Extension	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ashby Elevator	-	-	-	-	-	-	-	-	-	-	-
Station Modernization	4,042	385	-	4,427	-	4,344	153	91	4,588	-	-
Seismic Retrofit	-	-	-	-	-	-	-	-	-	-	-
Oakland Airport Connector	-	-	-	-	-	-	-	-	-	-	-
Warm Springs Extension	-	-	-	-	-	-	-	-	-	-	-
Walnut Creek Transit Oriented Development	1	(1)	-	-	-	3	(3)	-	-	-	-
Balboa Park Eastside	161	(161)	-	-	-	37	(39)	2	-	-	-
Berkeley Station Entrance	103	-	-	103	-	85	(6)	1	80	-	-
Access Improvements	243	(223)	-	20	-	101	(105)	4	-	-	-
Station Signage	-	-	-	-	-	-	-	-	-	-	-
Train Control	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,550</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,550</u>	<u>\$ -</u>	<u>\$ 4,570</u>	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 4,668</u>	<u>\$ -</u>	<u>\$ -</u>