

**SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT**

Single Audit Reports

For the Year Ended June 30, 2020



Certified
Public
Accountants

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Single Audit Reports
For the Year Ended June 30, 2020

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**Independent Auditor’s Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Enterprise Fund and the Retiree Health Benefit Trust Fund of the San Francisco Bay Area Rapid Transit District (the “District”), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Walnut Creek, California
November 24, 2020



**Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on
Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the San Francisco Bay Area Rapid Transit District’s (the “District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2020. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 a federal 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 a federal 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 a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Enterprise Fund and the Retiree Health Benefit Trust Fund of the District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 24, 2020, 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 expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California

May 7, 2021

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San Francisco Bay Area Rapid Transit District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020
(Dollar amounts in thousands)

Program Description	CFDA Number	Grant Approval Date	Total Approved Budget	Approved Federal Grant	Federal Awards Expended Prior to Current Fiscal Year	Federal Awards Expended During Fiscal Year	Federal Share as of June 30, 2020		
							Expended	Received	Receivable
U.S. Department of Transportation:									
Federal Transit Administration (FTA):									
Federal Transit Cluster:									
Federal Transit Capital Investment Grants:									
Direct programs:									
CA-04-0212-00		01/06/14	\$ 5,173	\$ 4,138	\$ 1,959	\$ 1,414	\$ 3,373	\$ 3,122	\$ 251
FTA Transbay Corridor TOD Implementation Strategies Pilot Program for TOD Planning									
CA-2016-066-00		08/15/16	1,420	1,100	1,008	92	1,100	1,100	-
Total Federal Transit Capital Investment Grants			6,593	5,238	2,967	1,506	4,473	4,222	251
Federal Transit Formula Grants:									
Direct programs:									
CA-04-0043-00		09/17/08	10,854	8,683	7,273	254	7,527	7,527	-
CA-05-0236-02	(b)	08/26/09	67,620	54,096	54,096	-	54,096	54,096	-
CA-04-0126-00		09/09/09	3,951	3,161	2,958	-	2,958	2,958	-
CA-95-X145-00		09/22/11	8,193	7,253	7,019	134 (d)	7,153	7,149	4
CA-90-Z079-00		01/14/14	20,894	16,715	16,215	454	16,669	16,361	308
CA-95-X271-00		08/05/14	7,188	6,393	5,829	457	6,286	6,238	48
CA-90-Z177-00		08/26/14	12,839	10,271	9,969	247	10,216	10,182	34
CA-95-X301-00		09/25/15	12,338	6,591	3,852	286	4,138	3,958	180
CA-90-Z276-00		09/25/15	4,502	3,602	1,712	324	2,036	1,761	275
CA-2016-077-00		08/15/16	384	307	32	245	277	277	-
CA-2017-029-00		06/20/17	14,112	11,289	1,186	96	1,282	1,281	1
CA-2018-036-00		05/01/18	72,292	58,669	51,658	574	52,232	52,169	63
CA-2018-084-00		08/09/18	31,947	25,558	2,323	1,507	3,830	3,830	-
CA-2019-029-00		06/18/19	15,000	2,000	-	131	131	65	66
CA-2019-126-00	(a)	08/16/19	31,994	25,596	-	23,130	23,130	19,096	4,034
CA-2020-043-00	(a)	04/07/20	29,369	26,000	-	26,000	26,000	26,000	-
CA-2020-086-00	(a)	05/20/20	36,631	29,305	-	5,570	5,570	5,570	-
CA-2020-084-00 (COVID-19)	(a) (e)	05/19/20	251,637	251,637	-	185,510	185,510	-	185,510
Total Federal Transit Formula Grants			631,745	547,126	164,122	244,919	409,041	218,518	190,523

Notes:

- (a) New Federal Award
- (b) Grant was closed during the fiscal year
- (d) Amount provided to subrecipient, MacArthur Community Partners, during fiscal 2020 was \$77,815
- (e) COVID-19-related award

The accompanying notes are an integral part of this schedule

San Francisco Bay Area Rapid Transit District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020
(Dollar amounts in thousands)

Program Description	CFDA Number	Grant Approval Date	Total Approved Budget	Approved Federal Grant	Federal Awards Expended Prior to Current Fiscal Year	Federal Awards Expended During Fiscal Year	Federal Share as of June 30, 2020		
							Expended	Received	Receivable
U.S. Department of Transportation (continued):									
Federal Transit Administration (FTA):									
Federal Transit Cluster:									
State of Good Repair Grants Program	20.525								
Direct Program:									
CA-54-0007-00		11/13/13	\$ 131,360	\$ 105,088	\$ 102,057	\$ 3,022	\$ 105,079	\$ 104,874	\$ 205
CA-54-0023-00		08/05/14	140,585	112,468	108,507	3,961	112,468	110,983	1,485
CA-54-0041-00		09/25/15	95,863	76,691	65,305	9,390	74,695	71,205	3,490
CA-2016-077-00		08/15/16	13,942	11,154	8,564	906	9,470	8,278	1,192
CA-2017-029-00		06/20/17	110,121	88,097	53,332	5,083	58,415	56,655	1,760
CA-2018-036-00		05/01/18	397	318	-	-	-	-	-
CA-2018-084-00		08/09/18	41,472	33,177	7,968	2,972	10,940	8,437	2,503
CA-2019-126-00	(a)	08/16/19	66,759	53,408	-	8,774	8,774	8,774	-
CA-2020-086-00	(a)	05/20/20	133,953	69,135	-	33,954	33,954	3,456	30,498
Total State of Good Repair Grants Program			734,452	549,536	345,733	68,062	413,795	372,662	41,133
Total Federal Transit Cluster			1,372,790	1,101,900	512,822	314,487	827,309	595,402	231,907
Public Transportation Research, Technical Assistance, and Training:	20.514								
CA-2017-019-00	(b)	02/14/17	521	358	358	-	358	358	-
Total Public Transportation Research, Technical Assistance, and Training			521	358	358	-	358	358	-
National Infrastructure Investments	20.933								
CA-2018-013-00		04/03/18	32,593	6,322	-	1,004	1,004	347	657
Total National Infrastructure Investments			32,593	6,322	-	1,004	1,004	347	657
Federal Highway Administration (FHWA)	20.200								
Highway Research and Development Program									
Passed Through from Contra Costa Transportation Authority Agreement No. 693JJ31950024 - Bay Area Mobility-On-Demand Project	(a)	04/16/20	7,023	3,160	-	-	-	-	-
Total Highway Research and Development Program			7,023	3,160	-	-	-	-	-
Highway Planning and Construction:	20.205								
Passed Through from State of California Department of Transportation									
Seismic Retrofit:									
Project #6000 (060)		05/15/15	18,738	3,016	2,397	619	3,016	2,969	47
STPLZ-6000 (058)		05/15/15	17,698	3,864	3,530	334	3,864	3,824	40

Notes:

- (a) New Federal Award
- (b) Grant was closed during the fiscal year

The accompanying notes are an integral part of this schedule

San Francisco Bay Area Rapid Transit District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020
(Dollar amounts in thousands)

Program Description	CFDA Number	Grant Approval Date	Total Approved Budget	Approved Federal Grant	Federal Awards Expended Prior to Current Fiscal Year	Federal Awards Expended During Fiscal Year	Federal Share as of June 30, 2020		
							Expended	Received	Receivable
U.S. Department of Transportation (continued):									
Highway Planning and Construction:	20.205								
Passed Through from San Francisco County Transportation Authority									
Travel Smart Rewards - Memorandum of Agreement 15/16-07		09/15/15	\$ 406	\$ 325	\$ 281	\$ -	\$ 281	\$ 281	\$ -
Total Highway Planning and Construction			36,842	7,205	6,208	953	7,161	7,074	87
Sustainable Access Strategy Development Program	20.505								
Passed Through from State of California Department of Transportation Agreement 74A1045		10/05/18	565	500	83	153	236	159	77
Passed Through from Metropolitan Transportation Commission (MTC) FTA 5304 - Strategic Partnerships Transit	(a)	01/29/20	524	467	-	-	-	-	-
Total Sustainable Access Strategy Development Program			1,089	967	83	153	236	159	77
Lifeline Transportation Program	20.521								
Passed Through from Metropolitan Transportation Commission (MTC) Cycle 5 - MTC Resolution No. 4347		07/25/18	1,907	954	6	343	349	-	349
Total Lifeline Transportation Program			1,907	954	6	343	349	-	349
Total U.S. Department of Transportation			1,452,765	1,120,866	519,477	316,940	836,417	603,340	233,077
National Endowment for the Humanities									
National Endowment for the Arts Program	45.024								
Direct Program:									
1829882-41-18		05/02/18	20	20	4	2	6	-	6
Total National Endowment for the Arts Program			20	20	4	2	6	-	6
Total National Endowment for the Humanities			20	20	4	2	6	-	6
U.S. Department of Homeland Security:									
Rail and Transit Security Grant Program	97.075								
Direct Program:									
FEMA - EMW -2016-RA-00009		08/14/16	4,792	4,792	2,007	825	2,832	2,832	-
FEMA - EMW -2017-RA-00023	(b)	11/06/17	8,799	8,799	8,799	-	8,799	8,799	-
FEMA - EMW -2018-RA-00008		09/17/18	6,754	6,754	75	1,986	2,061	1,595	466
FEMA - EMW -2019-RA-00010-SO1	(a)	09/06/19	1,770	1,770	-	368	368	-	368
FY2016 HSTS02-16-H-NCP406 - Year 4	(c)	03/28/19	253	253	152	100	252	152	100
Total Rail and Transit Security Grant Program			22,368	22,368	11,033	3,279	14,312	13,378	934
Total U.S. Department of Homeland Security			22,368	22,368	11,033	3,279	14,312	13,378	934
TOTAL FEDERAL GRANTS			\$ 1,475,153	\$ 1,143,254	\$ 530,514	\$ 320,221	\$ 850,735	\$ 616,718	\$ 234,017

Notes:

- (a) New Federal Award
- (b) Grant was closed during the fiscal year
- (c) Grant was amended

The accompanying notes are an integral part of this schedule

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Note 1. General

The accompanying schedule of expenditures of federal awards presents the activity of all federally funded programs of the San Francisco Bay Area Rapid Transit District (the “District”). The reporting entity is defined in Note 1 in the District’s basic financial statements.

Note 2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting as described in Note 1 in the District’s basic financial statements.

Note 3. Grants from Government Agencies

The District receives grants from the Federal Transit Administration (“FTA”) and other agencies of the U.S. Department of Transportation, U.S. Department of Homeland Security, U.S. Department of Justice, State of California, and local transportation funds for the acquisition of transit-related assets, equipment, improvements and reimbursement of certain transit related expenses.

Note 4. Relationship to the Financial Statements

Expenditures of federal awards are reported in the District’s basic financial statements as capital assets for capital expenditures and operating expenses for certain transit expenses.

Note 5. Indirect Costs

The District did not elect to use the 10% de minimis cost rate as covered in 2 CFR Section 200.414 Indirect (F&A) costs.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2020

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to the financial statements noted?	No

Federal Awards:

Type of auditor’s report issued on compliance with major programs:	Unmodified
Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Any audit findings required to be reported in accordance with 2 CFR 200.516(a)?	No

Major programs:

<u>CFDA Number</u>	<u>Federal Program</u>
	U.S. Department of Transportation
	Federal Transit Cluster:
20.500	Federal Transit Capital Investment Grants
20.507	Federal Transit Formula Grants
20.525	State of Good Repair Grants Program
	U.S. Department of Homeland Security
97.075	Rail and transit Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs	\$3,000,000
Auditee qualifies as a low-risk auditee?	Yes

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

300 Lakeside Drive, P.O. Box 12688

Oakland, CA 94604-2688

(510) 464-6000

2020

Lateefah Simon
PRESIDENT

Mark Foley
VICE PRESIDENT

Robert Powers
GENERAL MANAGER

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Summary Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2020**

DIRECTORS

No findings were reported for the fiscal year ended June 30, 2019.

Debra Allen
1ST DISTRICT

Mark Foley
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn, Ph.D.
4TH DISTRICT

John McPartland
5TH DISTRICT

Elizabeth Ames
6TH DISTRICT

Lateefah Simon
7TH DISTRICT

Janice Li
8TH DISTRICT

Bevan Duffy
9TH DISTRICT

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