

**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, 2021

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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 with the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines

We have audited the San Francisco Bay Area Rapid Transit District's (District) compliance with the types of compliance requirements described 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 compliance with the PTMISEA Guidelines for the fiscal year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the PTMISEA Guidelines.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's PTMISEA program 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 PTMISEA Guidelines. Those standards 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 the PTMISEA 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 the PTMISEA program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the PTMISEA 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 the PTMISEA program for the fiscal year ended June 30, 2021.

(Continued)

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 the PTMISEA program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the PTMISEA program and to test and report on internal control over compliance in accordance with the PTMISEA program, 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 PTMISEA program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 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 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 fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated **<>**, 2021, 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 auditing procedures applied in the audit of the basic 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
<>, 2021

Crowe LLP

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
Schedule of Public Transportation Modernization, Improvement, and
Service Enhancement Account Funds
For the year ended June 30, 2021
(Dollar amounts in thousands)

	Grant Balance				Interest Balance				Total
	Grant Fund Balance, Beginning of Year	Grants Received / Reallocated	Project Costs Incurred	Preliminary Grant Fund Balance, End of Year	Interest Balance, Beginning of Year	Interest Earned	Interest Absorbed	Interest Balance, End of Year	Final Grant Fund Balance, End of Year
eBART Extension	\$ (126)	\$ -	\$ 1	\$ (127)	\$ 127	\$ -	\$ -	\$ 127	\$ -
Ashby Elevator	(33)	-	-	(33)	33	-	-	33	-
Station Modernization	46,375	(50)	25,648	20,677	5,427	40	-	5,467	26,144
Seismic Retrofit	(405)	-	-	(405)	405	-	-	405	-
Oakland Airport Connector	(54)	-	-	(54)	54	-	-	54	-
Warm Springs Extension	(35)	-	-	(35)	35	-	-	35	-
Walnut Creek Transit Oriented Development	2	300	269	33	3	-	-	3	36
Balboa Park Eastside	459	(250)	46	163	37	-	-	37	200
Berkeley Station Entrance	58	-	(142)	200	85	-	-	85	285
Access Improvements	406	-	162	244	100	1	-	101	345
Station Signage ¹	324	-	-	324	-	-	-	-	324
Train Control	1,588	-	784	804	295	2	-	297	1,101
	<u>\$ 48,559</u>	<u>\$ -</u>	<u>\$ 26,768</u>	<u>\$ 21,791</u>	<u>\$ 6,601</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 6,644</u>	<u>\$ 28,435</u>

¹ The project is on a reimbursement basis.