



Metropolitan Transportation Commission

**Reports on Federal Awards in Accordance
with OMB Uniform Guidance
For the Year Ended June 30, 2020**

Auditees	EIN
Metropolitan Transportation Commission	94-1749911

Metropolitan Transportation Commission
Reports on Federal Award Programs in Accordance with OMB Uniform Guidance
For the Year Ended June 30, 2020

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ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners
Metropolitan Transportation Commission

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 governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (the "Commission") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 20, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission's financial statements are free of 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

San Francisco, California
October 20, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Commissioners
Metropolitan Transportation Commission

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan Transportation Commission's (the "Commission") 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 Commission's major federal programs for the year ended June 30, 2020. The Commission'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 Commission'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 Commission'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 Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission 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.

(Continued)

Report on Internal Control over Compliance

Management of the Commission 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 Commission'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 Commission'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 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 Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements. We issued our report thereon dated October 15, 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.

Crowe LLP

San Francisco, California
October 15, 2020

**Metropolitan Transportation Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020**

Federal Grantor/Pass Through Grantor Program or Cluster Title		Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Sub-Recipients	Total Federal Expenditures
Federal Highway Administration (FHWA) Highway Research and Development Program Department of Transportation Pass Through from the California Department of Transportation Highway Research and Development Program	1112	20.200	SHRP2L-6084 (192)	\$ 24,850	\$ 24,850
Total Highway Research and Development Program				<u>24,850</u>	<u>24,850</u>
Highway Planning and Construction Cluster Department of Transportation Pass Through from the California Department of Transportation Highway Planning and Construction					
	1589	20.205	CML-6084 (160)	-	194,743
	1596	20.205	STPCML-6160 (018)	-	(47,096)
	1808	20.205	STPCML-6084 (177)	-	3,098,891
	1809	20.205	STPL-6084 (180)	-	29,391
	1812	20.205	STPL-6084 (186)	98,774	822,875
	1814	20.205	CML-6084 (188)	-	64,080
	1815	20.205	CML-6084 (190)	-	391,187
	1817	20.205	STPL-6084 (197)	-	520,266
	1818	20.205	STPL-6084 (198)	-	1,699,579
	1819	20.205	STPLNI-6084 (199)	27,285	511,676
	1820	20.205	STPL-6084 (201)	-	229,604
	1822	20.205	STPLNI-6084 (205)	-	204,836
	1823	20.205	STPLNI-6160 (027)	-	1,778
	1824	20.205	CML-6084 (202)	180,000	180,000
	1825	20.205	CML-6084 (209)	-	1,553,001
	1826	20.205	STPL-6084 (206)	12,428,389	12,428,389
	1827	20.205	STPL-6084 (207)	114,172	2,247,281
	1828	20.205	CML-6084 (211)	-	415,592
	1829	20.205	CML-6084 (210)	-	6,435,560
	1830	20.205	CML-6084 (215)	-	425,433
	1831	20.205	CMLNI-6084 (216)	-	218,736
	1832	20.205	CMLNI-6084 (208)	-	138,285
	1833	20.205	STPLNI-6084 (213)	-	3,500,523
	1834	20.205	STPLNI-6084 (212)	-	489,925
	1835	20.205	STPLNI-6084 (222)	-	560,303
	1836	20.205	STPLNI-6084 (225)	-	146,707
	1837	20.205	CMLNI-6084 (220)	-	11,384
	1838	20.205	STPL-6084 (228)	-	16,534
	1839	20.205	STPLNI-6084 (232)	894,965	1,701,532
	1840	20.205	CMLNI-6084 (219)	73,305	74,261
	1841	20.205	STPLNI-6084 (226)	26,031	2,760,252
	1842	20.205	STPLNI-6084 (227)	508,311	576,783
	1843	20.205	STPLNI-6084 (230)	-	6,930
	1844	20.205	STPLNI-6084 (231)	-	90,833
	1845	20.205	STPLNI-6084 (233)	962,541	962,541
	1846	20.205	STPL-6084 (235)	-	245,357
	1847	20.205	STPLNI-6084(241)	-	378,999
	1848	20.205	CMLNI-6084(242)	-	10,000
	1849	20.205	CMLNI-6084(243)	-	10,120
	1850	20.205	STPLNI-6084(255)	-	1,521,871
	1851	20.205	STPLNI-6084(254)	-	111,834
	1852	20.205	STPLNI-6084(244)	-	3,612
	1853	20.205	STPL-6084(259)	-	4,799
Total Highway and Planning and Construction Cluster - MTC				<u>15,313,773</u>	<u>44,949,187</u>
Total Highway Planning and Construction Cluster				<u>15,313,773</u>	<u>44,949,187</u>
Total Federal Highway Administration (FHWA)				<u>15,338,623</u>	<u>44,974,037</u>

See accompanying notes to the schedule of expenditures of federal awards.

Metropolitan Transportation Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

Federal Grantor/Pass Through Grantor Program or Cluster Title		Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Sub-Recipients	Total Federal Expenditures
Federal Transit Administration (FTA)					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program					
Pass Through from the California Department of Transportation					
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research					
	1109	20.505	04 OWPMTCM (FHWA TC)	-	8,105,119
	1602	20.505	04 OWPMTCM (FTA 5303 TC)	154,894	3,283,837
	1637	20.505	04 OWPMTCM (FTA 5304)	500,000	500,000
Total Pass Through from the California Department of Transportation				654,894	11,888,956
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program				654,894	11,888,956
Federal Transit Cluster					
Department of Transportation					
Federal Transit Formula Grants					
Direct Awards					
Pass-Through From Golden Gate Bridge, Highway & Transportation District	1671	20.507	CA-2016-120-00 (FTA 5307)	-	3,078,084
Subtotal: CFDA 20.507				-	3,078,084
State of Good Repair Grants Program					
Pass-Through From Golden Gate Bridge, Highway & Transportation District	1670	20.525	CA-2016-120-00 (FTA 5337)	-	5,925,849
Pass-Through From Golden Gate Bridge, Highway & Transportation District	1674	20.525	CA-2017-162-00 (FTA 5337)	-	20,340
Subtotal: CFDA 20.525				-	5,946,189
Total Federal Transit Cluster				-	9,024,273
Transit Services Program Cluster					
Department of Transportation					
Enhanced Mobility of Seniors & Individuals with Disabilities					
Pass-Through from the California Department of Transportation	1636	20.513	64AM18-00758	-	336,189
Subtotal: CFDA 20.513				-	336,189
Direct Awards					
Job Access And Reverse Commute Program					
CA-37-X133-00 (JARC)	1627	20.516		77,310	77,310
CA-37-X164-00 (JARC)	1629	20.516		-	45,757
CA-37-X177-00 (JARC)	1630	20.516		16,316	22,134
Subtotal: CFDA 20.516				93,626	145,201
New Freedom Program					
CA-57-X023-00 (New Freedom)	1623	20.521		-	15,000
CA-57-X109-00 (New Freedom)	1632	20.521		183,977	183,977
Subtotal: CFDA 20.521				183,977	198,977
Total Transit Services Program Cluster				277,603	680,367
Total Federal Transit Administration (FTA)				932,497	21,593,596

See accompanying notes to the schedule of expenditures of federal awards.

**Metropolitan Transportation Commission
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020**

Federal Grantor/Pass Through Grantor Program or Cluster Title		Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Sub-Recipients	Total Federal Expenditures
United States Environmental Protection Agency					
Brownfields Multipurpose, Assessment, Revolving Loan, and Cleanup Cooperative Agreements					
Brownfields Multipurpose, Assessment, Revolving Loan, and Cleanup Cooperative Agreements					
Pass-Through from Association of Bay Area Governments	1340	66.818	BF-99T455	-	173,653
	1342	66.818	BF-99761501	-	184,830
Subtotal: CFDA 66.818				-	358,483
Total United States Environmental Protection Agency				-	358,483.00
Department of Homeland Security					
Cooperating Technical Partners					
Pass-Through from Association of Bay Area Governments	1370	97.045	EMF2016CA00010	-	7,781
	1372	97.045	EMF2017CA00007	-	7,781
Subtotal: CFDA 97.045				-	7,781
Total Department of Homeland Security				-	7,781
Total Expenditures for Federal Awards				\$ 16,271,120	\$ 66,933,897

See accompanying notes to the schedule of expenditures of federal awards.

Metropolitan Transportation Commission
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

NOTE 1 – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all expenditures of federal awards of the Metropolitan Transportation Commission (“MTC”).

The Schedule is presented using the modified accrual basis of accounting. MTC's financial statements are prepared on the accrual basis for proprietary and fiduciary activities and modified accrual basis for governmental activities, which are described in Note 1 of the notes to MTC's financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “Uniform Guidance”). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in preparation of, the financial statements. Expenditures reported on the Schedule are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 – Indirect Cost Rate

MTC applies its predetermined approved indirect cost rate when charging indirect costs to federal awards rather than the 10% de minimis indirect cost rate described in Section 200.414 of the Uniform Guidance. MTC's indirect cost rate is approved by its cognizant agency.

**Metropolitan Transportation Commission
Schedule of Findings and Questioned Costs
For the year ended June 30, 2020**

SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditor's report issued on compliance for
major federal programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

CFDA 20.507, 20.525
CFDA 20.505

Federal Transit Cluster
Metropolitan Transportation Planning
and State and Non-Metropolitan
Planning and Research

Dollar threshold used to distinguish type A and B programs:

\$ 2,008,017

Auditee qualified as low-risk auditee?

 X Yes _____ No