

Metropolitan Transportation Commission

**Reports on Federal Awards in Accordance
with OMB Uniform Guidance**

For the Year Ended June 30, 2024

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|---|-------------------|
| Auditee | EIN |
| Metropolitan Transportation Commission | 94-1749911 |

Metropolitan Transportation Commission
Reports on Federal Awards in Accordance with OMB Uniform Guidance
For the Year Ended June 30, 2024

CONTENTS

| | |
|---|---|
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 1 |
| INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE | 3 |
| SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS..... | 6 |
| NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS | 8 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS | 9 |

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*

Commissioners
Metropolitan Transportation Commission
San Francisco, 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 governmental activities, the business-type activities, the discretely presented component unit, 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, 2024, 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 15, 2024.

Report on 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 or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 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 15, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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
San Francisco, California

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Metropolitan Transportation Commission's (the "Commission") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Commission's major federal program for the year ended June 30, 2024. The Commission's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Major Federal 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 of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 Commission 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 major federal program. Our audit does not provide a legal determination of the Commission'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 Commission's federal programs.

(Continued)

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 Commission'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 Uniform Guidance 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 Commission's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 Commission'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 Commission'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 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 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.

(Continued)

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 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Commission as of and for the year ended June 30, 2024, 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, 2024, 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, 2024

METROPOLITAN TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

| Federal Grantor/Pass Through Grantor Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed-Through to Sub-Recipients | Total Federal Expenditures |
|--|---|--|-------------------------------------|-------------------------------|
| Federal Highway Administration (FHWA) | | | | |
| Highway Planning and Construction | | | | |
| Department of Transportation | | | | |
| Pass Through from the California Department of Transportation | | | | |
| Highway Planning and Construction | | | | |
| | 20.205 | 04 OWPMTCM (FHWA TC) | \$ - | \$ 9,711,724 |
| | 20.205 | 04 OWPMTCM (FHWA TC) 2.5% | - | 281,179 |
| | 20.205 | SP&R FHWA Next Generation | - | 210,525 |
| | 20.205 | CML-6084 (209) | - | 428,008 |
| | 20.205 | STPL-6084 (206) | 199,943 | 199,943 |
| | 20.205 | CML-6084 (211) | - | 42,279 |
| | 20.205 | CML-6084 (210) | 46,159 | 71,523 |
| | 20.205 | CML-6084 (215) | - | 115,806 |
| | 20.205 | CMLNI-6084 (216) | - | 109,869 |
| | 20.205 | CMLNI-6084 (208) | - | 3,238,000 |
| | 20.205 | STPLNI-6084 (212) | - | 324,062 |
| | 20.205 | STPLNI-6084 (222) | - | 1,017,293 |
| | 20.205 | STPLNI-6084 (225) | - | 49,515 |
| | 20.205 | CMLNI-6084 (220) | - | 150,470 |
| | 20.205 | STPLNI-6084 (232) | 629,716 | 1,656,709 |
| | 20.205 | STPLNI-6084 (226) | (55,003) | 3,796,324 |
| | 20.205 | STPLNI-6084 (227) | 312,687 | 339,024 |
| | 20.205 | STPLNI-6084 (230) | - | 204,362 |
| | 20.205 | STPLNI-6084 (231) | - | 180,477 |
| | 20.205 | STPLNI-6084 (233) | 939,676 | 939,676 |
| | 20.205 | STPL-6084 (235) | - | 61,552 |
| | 20.205 | STPLNI-6084(241) | - | 217,857 |
| | 20.205 | STPLNI-6084(255) | - | 2,949 |
| | 20.205 | STPLNI-6084(254) | - | 149,005 |
| | 20.205 | STPLNI-6084(244) | 124,443 | 138,401 |
| | 20.205 | STPL-6084(259) | - | 28,791 |
| | 20.205 | STPLNI-6084 (260) | - | 4,987,215 |
| | 20.205 | STPLNI-6084 (263) | 126,853 | 290,593 |
| | 20.205 | STPLNI-6084 (264) | - | 185,744 |
| | 20.205 | STPL-6084(268) | 195,781 | 515,393 |
| | 20.205 | STPL-6084 (269) | - | 45,850 |
| | 20.205 | STPL-6084(273) | - | 186,588 |
| | 20.205 | STPLNI-6084 (275) | - | 3,877 |
| | 20.205 | STPLNI-6084 (277) | - | 235,971 |
| | 20.205 | STPLNI-6084 (278) | - | 208,223 |
| | 20.205 | STPL 6084 (279) | - | 5,747 |
| | 20.205 | STPL 6084 (281) | 773,602 | 773,602 |
| | 20.205 | CML-6084 (282) | 234,534 | 808,380 |
| | 20.205 | STPL 6084 (285) | 195,679 | 5,815,305 |
| | 20.205 | STPLNI 6084 (288) | - | 2,930,189 |
| | 20.205 | STPL 6084 (284) | 14,289,040 | 14,289,040 |
| | 20.205 | CMLNI 6084 (290) | 344,568 | 344,568 |
| | 20.205 | STPL 6084(291) | - | 115,852 |
| | 20.205 | STPL 6084 (293) | - | 247,719 |
| | 20.205 | CMLNI 6084 (292) | - | 1,634,179 |
| | 20.205 | STPLNI 6084(295) | - | 86,141 |
| | 20.205 | STPL 6084(294) | - | 19,157 |
| | 20.205 | STPLNI 6084(300) | - | 20,164 |
| Total Highway and Planning and Construction | | | 18,357,678 | 57,414,820 |
| Total Federal Highway Administration (FHWA) | | | 18,357,678 | 57,414,820 |
| Motor Carrier Safety Administration | | | | |
| Border Enforcement Grants | | | | |
| Department of Transportation | | | | |
| Direct Award | | | | |
| | 693JJ32350009 | 20.233 | - | 175,562 |
| Total Border Enforcement Grants | | | - | 175,562 |
| Total Motor Carrier Safety Administration | | | - | 175,562 |
| Federal Transit Administration (FTA) | | | | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program | | | | |
| Department of Transportation | | | | |
| Pass Through from the California Department of Transportation | | | | |
| Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research | | | | |
| | 20.505 | 04 OWPMTCM (FTA 5303 TC) | 37,763 | 7,426,476 |
| Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Program | | | 37,763 | 7,426,476 |

See accompanying notes to the schedule of expenditures of federal awards.
(Continued)

METROPOLITAN TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

| Federal Grantor/Pass Through Grantor Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Passed-Through to Sub-Recipients | Total Federal Expenditures |
|---|---|--|-------------------------------------|-------------------------------|
| Federal Transit Cluster | | | | |
| Department of Transportation | | | | |
| Federal Transit Capital Investment Grants | | | | |
| Pass-Through From SFMTA | 20.500 | CA-03-0767-05 | \$ - | \$ 27,322 |
| Subtotal: ALN 20.500 | | | - | 27,322 |
| Federal Transit Formula Grants | | | | |
| Direct Awards | | | | |
| CA-2020-224-00 | 20.507 | | - | 121,230 |
| CA-2020-232-02 5307-3 | 20.507 | | - | 27,971,192 |
| CA-2020-232-02 5307-2A | 20.507 | | - | 20,160,272 |
| Subtotal: ALN 20.507 | | | - | 48,252,694 |
| State of Good Repair Grants Program | | | | |
| Pass-Through From Golden Gate Bridge, Highway & Transportation District | 20.525 | CA-2017-162-00 (FTA 5337) | - | 315,279 |
| Subtotal: ALN 20.525 | | | - | 315,279 |
| Total Federal Transit Cluster | | | - | 48,595,295 |
| Transit Services Program Cluster | | | | |
| Department of Transportation | | | | |
| Direct Awards | | | | |
| Job Access And Reverse Commute Program | | | | |
| CA-37-X177-00 (JARC) | 20.516 | | 393,487 | 393,487 |
| Subtotal: ALN 20.516 | | | 393,487 | 393,487 |
| Total Transit Services Program Cluster | | | 393,487 | 393,487 |
| Public Transportation Innovation | | | | |
| Department of Transportation | | | | |
| Direct Awards | | | | |
| Transit Research Innovative Mobility Initiative | | | | |
| CA-2023-016-01-00 | 20.530 | | - | 170,363 |
| Total Public Transportation Innovation | | | - | 170,363 |
| Total Federal Transit Administration (FTA) | | | 431,250 | 56,585,621 |
| Total Expenditures for Federal Awards | | | \$ 18,788,928 | \$ 114,176,003 |

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, 2024

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, 2024

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:

Assistance Listings
20.500/20.507/20.525

Federal Transit Cluster

Dollar threshold used to distinguish type A and B programs:

 \$ 3,000,000

Auditee qualified as low-risk auditee?

_____ Yes X No