

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE STATE OF CALIFORNIA
TRANSPORTATION DEVELOPMENT ACT (TDA) AND RULES AND
REGULATIONS OF THE PUBLIC TRANSPORTATION MODERNIZATION
IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Directors
Alameda-Contra Costa Transit District
Oakland, California

**Report on Compliance with State of California Transportation Development Act and Public
Transportation Modernization, Improvement and Service Enhancement Account Guidelines**

We have audited Alameda-Contra Costa Transit District's (District) compliance with the types of compliance requirements described in the Transportation Development Act (TDA) Conformance Auditing Guide and the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Guidelines adopted by the California Department of Transportation, that could have a direct and material effect on the District's compliance with the TDA and PTMISEA programs for the year ended June 30, 2020.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, and the terms and conditions of its awards applicable to the TDA Guide and PTMISEA Guidelines.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's TDA and 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; the TDA Guide; 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 TDA and PTMISEA programs 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 TDA and PTMISEA programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the TDA and PTMISEA Program Compliance

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 TDA and PTMISEA programs for the year ended June 30, 2020.

(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 TDA and PTMISEA programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on the TDA and PTMISEA programs and to test and report on internal control over compliance in accordance with the TDA and PTMISEA programs, 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 TDA or 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 TDA and PTMISEA programs 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 TDA and PTMISEA programs 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 TDA Guide and PTMISEA Guidelines. Accordingly, this report is not suitable for any other purpose.



San Francisco, California
_____, 2020