Memorandum

U.S. Department of Transportation
Office of the Secretary of Transportation
Office of Inspector General


Date: October 24, 2013

From: George E. Banks, IV
Program Director for Single Audit

Reply to Attn. of: JA-20

To: Regional Administrator, FRA, Region VII

The U. S. Department of Transportation (DOT) is the cognizant Federal single audit agency for the Transbay Joint Powers Authority (the Authority). This report presents the results of our Quality Control Review (QCR) on DOT’s major grant programs included in the single audit of the Authority performed by Vavrinek, Trine, Day & Co., LLP (VTD) for the fiscal year ending June 30, 2012. During this period, the Authority expended approximately $123 million from DOT grant programs, as shown on the attached Schedule of Expenditures of Federal Awards. VTD determined that DOT’s major programs were the High Speed Rail Corridors and Intercity Passenger Rail Service Program and the Federal Highway Planning and Construction Program. We limited the scope of our QCR to the High Speed Rail Corridors and Intercity Passenger Rail Service Program because its expenditures were approximately 94 percent of the total DOT expenditures.

The Office of Management and Budget’s (OMB) Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” requires the auditor to render an opinion on the entity’s financial statements, identify inappropriate use of Federal funds, and report internal control and compliance deficiencies that affect Federal grant programs.

VTD rendered an unqualified opinion on the Authority’s financial statements and compliance with DOT’s major program requirements for the High Speed Rail
Corridors and Intercity Passenger Rail Service Program and the Federal Highway Planning and Construction Program, and did not question any costs.¹

SCOPE

The purpose of our QCR was to determine: (1) whether the audit work complied with the Single Audit Act of 1984, as amended, and OMB Circular A-133; and (2) the extent to which we could rely on the auditors’ work on the High Speed Rail Corridors and Intercity Passenger Rail Service Program.

RESULTS

We determined that VTD’s audit work was Acceptable, and therefore, met the requirements of the Single Audit Act, OMB Circular A-133, and the DOT major program reviewed. We found nothing to indicate that VTD’s opinion on the DOT major program reviewed was inappropriate or unreliable.

However, we identified the following deficiency as part of our desk review of the Authority’s Fiscal Year 2012 Single Audit Report.

• The Highway Planning and Construction Program was not identified as a major program on the Data Collection Form (DCF).

VTD and the Authority agreed to correct the DCF and submit it to the Federal Audit Clearinghouse.

If you have any questions concerning this report, please call me at (410) 962-1729, or John R. Sysak, DOT National Single Audit Coordinator, at (410) 962-2630.

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cc: Audit Liaison, FRA, RAD
    Audit Liaison, FHWA, HAIM-13
    Audit Liaison, OST, M-1
    Chief Financial Officer, Transbay Joint Powers Authority

¹ The single audit report issued by Vavrinek, Trine, Day & Co., LLP is available upon request sent to singleauditrequest@oig.dot.gov.
## U.S. DEPARTMENT OF TRANSPORTATION

### Federal Transit - Capital Investment Grants:

**General Capital Assistance**

- **20.500 CA-04-0010**
  - July 1, 2011 through June 30, 2011: $6,649,751
  - Cumulative through June 30, 2011: $6,649,751
  - Cumulative through June 30, 2012: $6,649,751

- **20.500 CA-04-0040**
  - Cumulative through June 30, 2011: $6,762,049
  - Cumulative through June 30, 2012: $6,849,591

- **20.500 CA-04-0087**
  - Cumulative through June 30, 2011: $7,555,096
  - Cumulative through June 30, 2012: $7,555,096

- **20.500 CA-04-0140**
  - Cumulative through June 30, 2011: $3,296,183
  - Cumulative through June 30, 2012: $3,296,183

**Total Federal Transit - Capital Investment Grants**:  
$29,136,831

### Federal Railroad Administration (FRA) Capital Grants:

- **High-Speed Rail Corridors and Intercity Passenger Rail Service**
  - American Recovery and Reinvestment Act (ARRA)
    - **20.319 FR-HSR-0007-10-01-00**
      - Cumulative through June 30, 2011: $400,000,000
      - Cumulative through June 30, 2012: $194,848,510

- **Rail Line Relocation and Improvement**
  - **20.320 FR-LR1-0021-11-01-00**
    - Cumulative through June 30, 2011: $2,650,000
    - Cumulative through June 30, 2012: $2,650,000

**Total Federal Railroad Administration Grants**:  
$402,650,000

### Highway Planning and Construction Grant:

- **General Capital Assistance**
  - **20.205 CA-70-X011**
    - Cumulative through June 30, 2011: $24,459,002
    - Cumulative through June 30, 2012: $4,924,851

**TOTAL U.S. DEPARTMENT OF TRANSPORTATION**:  
$456,245,833

## U.S. DEPARTMENT OF HOMELAND SECURITY

### Federal Emergency Management Agency (FEMA)

- **Rail and Transit Security Grant Program**
  - **Capital Grant**
    - **FY2009 Transit Security Grant Program**
      - **97.075 2009-RA-T9-K021**
        - Cumulative through June 30, 2011: $100,000
        - Cumulative through June 30, 2012: $100,000

- **Capital Grants Passed Through from AC Transit**
  - **FY2008 Transit Security Grant Program (F0018)**
    - **97.075 2008-RT-T8-K08**
      - Cumulative through June 30, 2011: $1,461,930
      - Cumulative through June 30, 2012: $469,782

- **FY2009 Transit Security Grant Program (F0017)**
  - **97.075 2009-RA-T9-K002**
    - Cumulative through June 30, 2011: $1,936,142
    - Cumulative through June 30, 2012: $1,774,716

**TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY**:  
$3,498,072

**TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**:  
$459,743,905