



**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

Single Audit Reports

Year ended June 30, 2004

(With Independent Auditors' Reports Thereon)

**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**  
**Single Audit Reports**

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**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***

The Governing Board  
Alameda Corridor Transportation Authority  
Carson, California:

We have audited the financial statements of Alameda Corridor Transportation Authority (the Authority) as of and for the year ended June 30, 2004, and have issued our report thereon dated March 29, 2005. We conducted our audit in accordance with 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Authority's governing board, its audit committee, and management as well as federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 29, 2005



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355 South Grand Avenue  
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## **Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

The Governing Board  
Alameda Corridor Transportation Authority  
Carson, California:

### **Compliance**

We have audited the compliance of the Alameda Corridor Transportation Authority (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Recommendations. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Authority'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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

### **Internal Control over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the Authority as of and for the year ended June 30, 2004, and have issued our report thereon dated March 29, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Authority's governing board, the audit committee, and management as well as federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

March 29, 2005

**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

<u>Federal agency/program title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal expenditures/ disbursements</u>
U.S. Department of Transportation:		
Transportation Safety Administration*	20.205	\$ 466,623
Pacific Coast Highway*	20.205	35,856,059
Federal Railroad Administration Direct Loan	20.xxx	9,997,563
Total U.S. Department of Transportation		<u>46,320,245</u>
Total expenditures of federal awards		<u>\$ 46,320,245</u>

\* Denotes major program.

See accompanying notes to Schedule of Expenditures of Federal Awards and accompanying Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.

## **ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

### Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2004

**(1) General**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Alameda Corridor Transportation Authority (the Authority).

**(2) Basis of Accounting**

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in note 2 of the notes to the basic financial statements of the Authority as of and for the year ended June 30, 2004.

**(3) Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

Schedule of Findings and Recommendations

Year ended June 30, 2004

**(1) Summary of Auditors' Results**

***Financial Statements***

The type of auditor's report issued on the financial statements: **Unqualified Opinion.**

Internal control over financial reporting:

- Material weaknesses identified in internal control over financial reporting: **None noted.**
- Reportable conditions identified in internal control over financial reporting that are not considered to be material weaknesses: **None reported.**

Noncompliance which is material to the financial statements: **None noted.**

***Federal Awards***

Internal control over major programs:

- Material weaknesses identified in internal control over major programs: **None noted.**
- Reportable conditions in internal control over major programs that are not considered to be material weaknesses: **None reported.**

The type of auditor's report issued on compliance for major programs: **Unqualified Opinion.**

Any audit findings which are required to be reported in accordance with Section 510(a) of Circular A-133: **None noted.**

Identification of major program:

CFDA Number 20.205

U.S. Departmental of Transportation:  
Transportation Safety Administration  
Pacific Cost Highway

Dollar threshold used to distinguish between Type A and Type B programs: **\$1,089,080.**

Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **Yes.**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

**None noted.**

**(3) Findings and Recommendations Relating to Federal Awards**

**None noted.**