

Independent Accountants' Agreed-Upon Procedures Report

San Francisco Municipal Transportation Agency (SFMTA)
Bond Oversight Committee and SFMTA Board of Directors
City and County of San Francisco, California:

We have performed the procedures enumerated in the Attachment on the San Francisco Municipal Transportation (SFMTA's) sources and uses of funds related to bond Series 2012B, 2013, 2014, 2017 and 2021C for the year ended June 30, 2021. SFMTA's management is responsible for SFMTA's sources and uses of funds related to bond series 2012B, 2013, 2014, 2017, and 2021C.

SFMTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the sources and uses of funds related to bond Series 2012B, 2013, 2014, 2017 and 2021C for the year ended June 30, 2021. This report may not be suitable for any other purpose. No other parties have agreed to or acknowledged the appropriateness of these procedures for the intended purpose or any other purpose.

The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. We make no representation regarding the appropriateness of the procedures either for the intended purpose or for any other purpose.

We were engaged by SFMTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, which involves us performing the specific procedures agreed to and acknowledged above and reporting on findings based on performing those procedures. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SFMTA's uses and sources of funds related to bond series 2012B, 2013, 2014, 2017, and 2021C for the year ended June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

We are required to be independent of SFMTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

[(signed) KPMG LLP]

San Francisco, California
Date

Procedures and Results:

1. Select a sample of expenditures from the general ledger detail (PeopleSoft data) provided by management and determine whether the debt proceeds have been recorded in the accounting system solely for uses, purposes, and projects authorized in the authorizing solution and applicable laws by performing the following procedures:
 - a. We obtained and inspected the following bond resolutions that describe the authorized uses, purposes and projects authorized to be paid with the respective bond proceeds to use as a basis for determining that the debt proceeds (the sources) were used in accordance with the bond resolutions in procedure 2 below:
 - Board of Supervisors (BOS) Resolutions for series 2012B, 2013, 2014, 2017, and 2021C bonds and Municipal Transportation Agency Board (MTAB) Resolutions for Series 2012B, 2013, 2017, and 2021C “New Money” bonds
 - SFMTA Procurement Procedures
 - CCSF Accounting Policies and Procedures
 - Capital Funding Recommendations
 - b) We obtained and inspected the following bond resolutions that describe management’s intention of the bond proceeds and interest income for the source, intended use, and expenditure and balances of bond revenue to use as a basis of determining that the debt proceeds and interest income were recorded correctly in procedure 2 below:
 - The SFMTA Board of Directors Resolutions 11-150, 13-205, 16-0464, and 201215-110 resolving to issue Series 2012B, 2013, 2017, and 2021 “New Money” (2021C) revenue bonds, respectively, for the purpose of financing (as capital projects) the cost of transportation projects.
 - The SFMTA Board of Directors Resolutions 11-127, 13-206, and 16-044, which allow SFMTA to be reimbursed for costs for the above range of capital projects from the proceeds of revenue bond Series 2012, 2013, and 2017.
 - CCSF Board of Supervisors Resolutions 120-12, 337-13, 92-15, 231-16, 023-21 authorizing the issuance of Series 2012B, 2013, 2014, 2017, and 2021C bonds, respectively, in concurrence with the resolutions passed by the SFMTA Board of Directors.
 - CCSF Board of Supervisors Resolutions 59-12, 207-13, 92-15, 212-15, and 105-16 required to appropriate the revenue collected from the bond issuances for the various capital projects to be undertaken by the Department of Public Works (DPW) on behalf of SFMTA.

Results: KPMG selected a total of 62 sample items that included debt principal and interest payment to trustee amounts. No exceptions were found as the result of applying these

procedures. Refer to procedure 3 below for the detailed breakdown of the transaction composition.

2. For the sample of transactions selected in procedure 1, we perform the following procedures with respect to uses, expenditures, encumbrance, and balances for the year ending June 30, 2021:
 - a) Validate that uses are solely for purposes per the respective bond's authorizing resolution and applicable laws.
 - b) Validate that project expenditures and encumbrances are for authorized capital projects noted in the respective bond resolution.
 - c) Validate that transactions are properly supported with documents required by City and Departmental policies and are processed in accordance with SFMTA's internal procedures obtained from management.
 - d) Validate that direct salary is properly supported on the respective labor distribution system report as reported by individual employee timesheets.
 - e) Validate that the indirect cost and fringe benefit sampled items by recalculating the indirect cost and fringe benefit amounts.
 - f) Validate the journal entry adjustment sampled items by obtaining the Peoplesoft screenshot and agree the amount to the screenshot. Furthermore, compare the preparer name on the screenshot to the approver name on the screenshot to ensure the approver name is different from the preparer name. Lastly, ensure that the approved date on the screenshot is after the prepared date.
 - g) Validate if the trustee payments for debt service is in accordance with the terms of the respective bond resolution, amounts are correct, and payments were made on or before the required due dates.
 - h) Validate if bond dollar amounts reported are correct and trace to supporting payment disbursement source (e.g., checks, EFT, etc.)
3. As referenced in procedure 1 above, we selected a sample of 62 transactions from the PeopleSoft data, divided as follows:
 - 25 expenditures with the high-dollar amounts
 - 15 assorted expenditures for small-dollar amounts
 - 15 interdepartmental charges
 - 2 budget (funding) transfers between projects
 - 5 trustee payments

We obtained the PeopleSoft data related to bond Series 2012B, 2013, 2014, 2017 and 2021C from management of all transactions recorded related to the aforementioned bond series during the year ended June 30, 2021. We selected the 25 highest dollar amounts by filtering the Expenditure type under "Account Lvl 2 Code" column and sorting the transaction amount in the detail from highest to smallest. Then, we selected 15 additional expenditures that were not within the highest dollar amounts.

Using the same general ledger data file in procedure 1, we selected 15 interdepartmental charges by filtering the general ledger data file by department group code and selecting samples that were not identified as 'MTA'.

We further obtained the expenditure budget query report related to bond series 2021B, 2013, 2014, 2017, and 2021C from management that includes the Commitment Control Detail Ledger. From this report's transaction detail, we filtered the column name "Fund Description: for any Sustainable Streets (SS) and Transit (TS) Capital Revenue Bond as well "Budget Ledger Name" for Commitment Control Detail Budget. We then selected 2 budget (funding) transfers from the filtered data.

We obtained a listing of all bond debt service payments to trustee related to bond series 2012B, 2013, 2014, 2017, and 2021C from management. We selected 5 payments from this listing.

We performed the procedures detailed under procedure 2 on the selected samples referenced in procedure 3 as follows:

High-dollar amounts and assorted smaller-dollar expenditures (Sample size 40) -

For these Sample Nos. 1-40, we applied procedural steps 2(a) – (f), plus (h) as described above:

- i. The uses of the revenue bond series funds were for expenditures incurred solely for the purposes as noted in the respective bond resolution and applicable laws. For purposes of the revenue bonds, applicable laws refer to the related Revenue Bond Policies and Procedures published by SFMTA to maintain compliance with the debt policy approved by the SFMTA Board of Directors. KPMG compared the project description on the approved invoice and encumbrance payment provided by management to the respective bond resolution provided by management.
- ii. For non-personnel samples (construction contracts and equipment purchase) - the transactions were properly supported based on City and Departmental policies in accordance with SFMTA's internal procedures by obtaining the approved invoice, encumbrance payment request form, the general ledger screen shot showing the amount paid prior to reimbursement, Certificate of Progress Payment, request for progress payment memorandum, and check/EFT from management. We also agreed the amount per the progress payment memorandum to the amount in the encumbrance payment request form for each selection. Then, we agreed the amounts per the progress payment report to the respective check/EFT.
- iii. For personnel samples (salaries) – the direct salary is properly supported on the respective labor distribution system report as reported by individual employee timesheets.
- iv. For personnel (indirect and mandatory fringe benefits) - the calculation for indirect cost and fringe benefit amount. There were no selected samples related to the calculation of indirect costs and or fringe benefits
- v. Journal entry adjustments – Peoplesoft journal screenshot agreed with sampled transaction amount. Furthermore, both the preparer name and the approver name on the screenshot are different from each other as indicative of the segregation of duties. Lastly, the approved date on the screenshot occurred after the prepared date.

We further noted the following:

Of the 40 samples selected, 25 were from the highest dollar values (all non-personnel costs), and 15 were from the assorted small dollar value sample (made up of 10 non-personnel costs and 5 personnel costs). There were no 2012B bond revenue series expenditure transactions selected for the current year procedures as budgeted funding from this series have been fully expended.

Of the non-personnel services expenditure transactions selected for the high dollar values and the assorted small dollar, 17 of which from the high dollar values (Samples #1-#4 and #7- #9, #13-#21, and #23) and 4 from the assorted small dollar (Samples #26-#28, and #36): These pertained to reclassifications at the Authority Code level, and were made in relation to the closing out/cleaning up process of prior expenditures funded by 2013 and/or 2014 revenue bonds. As such, these transactions are not subject to the same procedural requirements (procedures (a) – (e) detailed above) as those were designed to assess regular expenses related to projects funded by Bond Revenue. In lieu of these procedures, we applied procedure (f) and inspected the PeopleSoft screenshots to agree the amount and viewed the preparer and approver dates noting that the approver date was after the preparer's date.

Samples #11 and #22 related to the non-personnel expenditures funded by the 2014 revenue bond series. Both samples associated with the professional engineering services contracted with HNBT Corporation and have the accompanied Progress Payment Request Memorandum dated 8/20/2020, authoring for payment processing as follows: submitted for payment by Project Manager sign off; reviewed for payment by Contract Administration Interim Section Lead; plus approved for payment by Contract Administration Deputy.

Additionally, there were 2 selected samples from the high dollar values related to the error correction. Sample #10 pertains to the error entry posted. This selected sample was automatically posted in the eSettlement voucher on 2/25/2021. Such error had been rectified by the responsible personnel on 4/6/2021 and reversed out via the Journal ID No. AP00362147. The correct payment amount, after review and authorization, had been properly made for this vendor and captured as part of the selected sample #12. Error had been fully addressed.

For the remaining non-personnel samples, there were 2 from high dollar values samples (#24 and #25) and 6 from the assorted small dollar (Samples #29-#32, and #37-38) pertaining to the 2017 Series funding. Combining the two categories, Samples #24, 29, and #30 related to the procurement of new light rail vehicles while the latter #25, #31-32, and #37-#38 pertained to the specialized engineering services. The eight selected non-personnel transactions for the 2017 bond Series were not related to capital construction expenditures, and we therefore reviewed the description for both the project and invoice plus the supporting documentation (e.g., monthly progress report, SBE Form, invoice billings to vendor from subcontractor, etc.) from vendor to confirm the item qualified as an approved expenditure using Bond Resolution descriptions. In addition, we also agreed the invoiced amounts to the progress payment. Specifically, per applicable Payment Processing Guidelines, we agreed the sample amount to the PeopleSoft screenshots and the invoices. We further verified that payments were properly authorized and that payments were made in timely manner. We confirmed that the vendor/contractor submitted a request for progress payment/payment and the certificate of progress payment was signed by the SFMTA project manager and contract administrator. Per the CCSF's Prompt Payment Guideline, the agency is to pay contractors within 30 business days of receiving billing. We noted this is accomplished by ACH deposits. We then agreed the amount and date to the bank statements. No samples were found which were paid after 30 business days of receiving billing.

Lastly, for the 2 selected high dollar values non-personnel samples (#5 and #6), KPMG noted that these were amortization expenses transactions relating to 2021C Series. As these transactions neither are construction related expenditures, adjusting journal entries, or the other non-personnel expenditures, we reviewed the published Official Statement for San Francisco Municipal Transportation Agency Revenue Bonds, Series 2021C (Green Bonds) along with the Sources and Uses prepared by RBC Capital Markets to ensure expenditures are were in accordance with CCSF Board of Supervisors Resolution No. 23-21.

We noted that samples #25, #29-#32, and #37-#38 pertain to the other non-personnel costs that do not have full set of supporting documentation to fully satisfy procedures (i) – (v) due to the transaction type detailed earlier in section. These were not related to the 2013 Series and 2014 Series bond funding adjustments and/or closing out, and encumbrance requests were not provided because they were not

direct construction costs. For these samples, we used the payment authorization or equivalent to agree the payment amount to the respective check/EFT.

We noted high dollar value samples #24 and assorted small dollar samples #29-#30 were with the vendor Siemens Industry Inc. As noted by management from prior year, these samples are for a Light Rail Vehicle (LRV) purchase contract which does not require SBE form 7 or SFMTA Certificate of Progress Payment. SBE form 7 is only for construction contracts. Therefore, we reviewed the respective invoices and purchase orders, as well as the progress payment certification memo signed by SFMTA and Siemens Project Manager and vouched the payment detail to the check/EFT.

Moreover, for the 5 selected personnel samples from the assorted small dollar (Samples #33-35 and #39-#40) these were for salaries and are also not encumbered nor require progress payments, therefore the 30-day payment rule does not apply. Additionally, since these pertain to the 2013 Series and 2014 Series funding, these are adjusting journal entries. Of the 5 adjusting journal entries, we noted from the Labor Distribution support provided that only Sample #33 personnel pay period end expense was incurred during FY2021 while the rest pertain to prior fiscal years pay period ends. As such, for Sample #33, we verified the job order description was for a capital project and recalculated payroll amount based on employee timecard. For the personnel transactions from prior years, we reviewed the PeopleSoft screens to agree the amount and viewed the preparer and approver dates noting that the approver date was after the preparer's date.

<u>Sample No.</u>	<u>Project No.</u>	<u>Project Title</u>	<u>Transaction Type</u>	<u>Transaction Amount</u>
1	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	\$ 366,735
2	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	319,246
3	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	275,087
4	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	269,807
5	10037270	MT Revenue Bond S2021C	High-Dollar Value	248,383
6	10037270	MT Revenue Bond S2021C	High-Dollar Value	243,450
7	10031427	PW Columbus Ave Infra Improvement	High-Dollar Value	237,914
8	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	230,337
9	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	215,846
10	10031776	PW Geary BRT West Infra Improvement	High-Dollar Value	210,361
11	10011740	MT Van Ness Ave BRT-CPT640	High-Dollar Value	203,654
12	10031776	PW Geary BRT West Infra Improvement	High-Dollar Value	201,743
13	10031828	PW MTA Fac 1508 Bancroft Improvement	High-Dollar Value	154,343
14	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	149,944
15	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	139,092
16	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	138,202
17	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	131,738
18	10031416	PW Ocean Persia Ave Infra Improvement	High-Dollar Value	126,145
19	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	113,785
20	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	110,279
21	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	110,035
22	10011740	MT Van Ness Ave BRT-CPT640	High-Dollar Value	102,456
23	10031831	PW MTA Prkg Controls Improvement	High-Dollar Value	100,049
24	10011861	MT PROCUREMENT OF NEW LIGHT RAIL	High-Dollar Value	93,470
25	10011740	MT Van Ness Ave BRT-CPT640	High-Dollar Value	93,217
26	10031831	PW MTA Prkg Controls Improve	Assorted Small-Dollar	71,097
27	10031831	PW MTA Prkg Controls Improve	Assorted Small-Dollar	66,699
28	10031831	PW MTA Prkg Controls Improve	Assorted Small-Dollar	58,649
29	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	55,556
30	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	37,914
31	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	20,792
32	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	12,849
33	10031546	PW Masonic Ave Infra Impr	Assorted Small-Dollar	1,194
34	10031546	PW Masonic Ave Infra Impr	Assorted Small-Dollar	669
35	10031737	PW Lombard St Infra Impr	Assorted Small-Dollar	89
36	10031831	PW MTA Prkg Controls Improve	Assorted Small-Dollar	46,067
37	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	21,415
38	10011861	MT PROCUREMENT OF NEW LIGHT RA	Assorted Small-Dollar	14,991
39	10031546	PW Masonic Ave Infra Impr	Assorted Small-Dollar	711
40	10031801	PW 2015 Trfc Calming Bulbs	Assorted Small-Dollar	669

Results: No exceptions found as a result of applying the above procedures.

Interdepartmental charges (Sample size 15) –

For the selected Sample Nos. 41-55, we applied the procedural steps 2(a) – (c) as described above in order to validated:

- i. For each interdepartmental charge sample selected, we validated that uses are solely for purposes per authorization resolution and applicable laws by obtaining the SFMTA Work Authorization to the Department of Public Works (DPW) form, the Peoplesoft Screen Shot, project description and project cost details provided by DPW. We compared the project descriptions on each support to the capital projects respective bond authorization and resolution.
- ii. For each interdepartmental charge sample selected, we validated the project expenditures and encumbrance are for authorized projects by obtaining the work authorizations forms to the DPW

and comparing the project descriptions from the work authorization forms and DPW forms to the respective bond authorization and resolutions. We used the SFMTA's Work Authorization Procedures as a guide which outlines the process for approval and compared the work authorizations to the process to confirm compliance. We obtained the respective invoices submitted by DPW, encumbrance amount (provided by management), Certificate of Progress Payment and progress payment report (SBE form No. 7). We agreed the encumbrance amount to the progress payment report, agree the invoice amount to the encumbrance and to the subcontractor or contractor payment (check copy or wire transfer form). We obtained the SFMTA Work Authorization to DPW to verify if these are interdepartmental transfers by comparing the project descriptions on the Work Authorization to the project descriptions on the general ledger detail.

- iii. For each interdepartmental charge sample selected, we validated the transactions are properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures by performing the following:
- (A) We obtained the Work Authorization and reviewed to determine whether it is signed by a SFMTA project manager to verify documentation for charges is correct, that the charges are in line with the project scope, schedule and budget, and progress of work reasonably equates to the percentage of the budget expended.
 - (B) We calculated if the SFMTA project manager approved the charges within 30 days of the month end for the applicable charges
 - (C) We verified if the Work Authorization has a project description and project code to which the expenditures can be charged for tracking purposes.
 - (D) We obtained the invoices and Work Authorizations and compared the project descriptions to the project descriptions in the general ledger detail and to confirm that expenditures were for capital projects as per authorization details from the associated bond revenues resolution(s).
 - (E) We confirmed if the invoices and supporting documents were submitted by DPW within 15 days of the month end for the applicable charges.

We further noted the following:

The 15 selected interdepartmental samples (#41-#55) were all non-personnel expenses incurred from PY dates and funded by 2013 and 2014 revenue bond series. Of which, Samples #44 and #46 originated from the PUC department, while Samples #41-#43, #45, and #47-#55 stemmed from DPW. These are not encumbered expenses nor having payment transactions paid out to vendors during fiscal year 2021. Therefore, subcontractor payment declarations, progress payment reports, and encumbrance data do not directly apply. Rather, these pertain to the adjustments made relating to the authority code for each individual voucher payment from prior years (PY) as part of the 2013 and 2014 revenue bond series budget cleaning up and closing out. The adjustment in Authority Code were made as follows: from 10024 – "Persia Triangle Transit Improvement" to 11618 - "MTL 5 Fltn_E 6th Ave Rapid_CP" for 2013 Series, and from 11889 - MSL Mansell Envirn-Corridor_DD to 11886 - MSL 68K112 Folsom Stscape_CE for 2014 Series for DPW sampled transactions; while for PUC transactions, the original charges posted to the wrong Authority Code 10004 – "Conv_FAMIS proj fd but no proj" were reversed out and booked to the correct Authority Code 13198 – "MSL IPIC-Eastern Neighborhd_X0" for 2013 revenue bond series, or to 12133 – "MSL SF Safer Streets (ATP)_X0" for 2014 revenue bond series. As such, we reviewed the posted Peoplesoft journal screenshot to ensure posted amount agreed with sampled transaction amount. Furthermore, we also ensure that both the preparer name and the approver name on the screenshot are

different from each other. Lastly, we also verified to ensure the approved date on the screenshot occurred after the prepared date.

<u>Sample No.</u>	<u>Project No.</u>	<u>Project Title</u>	<u>Transaction Type</u>	<u>Transaction Amount</u>
41	10031831	PW MTA Prkg Controls Improve	Interdepartmental	\$ 83,374
42	10031831	PW MTA Prkg Controls Improve	Interdepartmental	65,309
43	10031831	PW MTA Prkg Controls Improve	Interdepartmental	56,810
44	10010085	Mvvgg Raised Cycletrack Constr	Interdepartmental	51,404
45	10031831	PARCS Demo and Concrete	Interdepartmental	50,025
46	10011573	MT Islais Creek, Maintenance a	Interdepartmental	45,086
47	10031831	PW MTA Prkg Controls Improve	Interdepartmental	35,379
48	10031831	PW MTA Prkg Controls Improve	Interdepartmental	26,981
49	10031831	PW MTA Prkg Controls Improve	Interdepartmental	58,649
50	10031831	PW MTA Prkg Controls Improve	Interdepartmental	46,067
51	10033648	PW Operator Conv Stn VN and NP	Interdepartmental	16,120
52	10031410	PW Polk St Infra Impr	Interdepartmental	14,982
53	10031831	PW MTA Prkg Controls Improve	Interdepartmental	11,554
54	10031831	PW MTA Prkg Controls Improve	Interdepartmental	67,865
55	10031831	PW MTA Prkg Controls Improve	Interdepartmental	45,839

Results: No exceptions were found as a result of applying these procedures.

Budget Funding (Sample Size 2) –

For the selected Sample Nos. 56 and 57, we applied the procedural steps 2(a) – (c) as described above and validated:

- i. For the budget funding samples, we validated the uses of funds were solely for purposes per the respective bond authorizing resolution and applicable laws by obtaining the SFMTA Work Authorization Request from management and compared the project description to the respective bond resolution.
- ii. For the budget funding samples, we validated the project expenditures and encumbrances were for authorized capital projects by obtaining the SFMTA Work Authorization Request from management and confirmed the form was signed by a project manager prior to the creation of the Peoplesoft entry recorded by the SFMTA accounting staff.
- iii. For the budget funding samples, we validated the transactions were properly supported based on City and Departmental policies and were processed in accordance with SFMTA’s internal procedures by obtaining the work authorization request which requires an expenditure or encumbrance have a project description and a project code to which the expenditures can be charged for tracking purposes. We also reviewed if the SFMTA project manager signed the request form prior to transactions being entered into the Peoplesoft system. We further agreed the Peoplesoft screenshot to the amount on the work authorization request.

<u>Sample No.</u>	<u>Project No.</u>	<u>Project Title</u>	<u>Transaction Type</u>	<u>Transaction Amount</u>
56	10037270	MT Revenue Bond S2021C	Budget Funding	\$ (76,000,000)
57	10037271	MS Revenue Bond S2021C	Budget Funding	(42,000,000)

For the selected bulk amount budget funding samples #56 and #57, these are related to the 2021C Series Revenue Bond. Total funding from the selected samples was \$118M. There were no incurred expenditures as of the fiscal year end date in relation to this funding. As such, we noted that both procedures (a) – (b) are not applicable.

Results: No exceptions were found as a result of performing these procedures.

Trustee Payments (Sample Size 5) –

For the selected Sample Nos. 58-62, we applied the procedural steps 2(g) – (h) as described above and validated:

- For the five trustee payments, we validated that the trustee payments for debt service amounts paid were correct and the payments were paid by the due date by obtaining the monthly payment request from the trustee and bank statements from management, and comparing the due date on the monthly payment request from the trustee to the payment date on the bank statement and to the debt maturity schedule in the respective bond resolution to show whether the payment date was before the due date. We also agreed each trustee payment amount selected to the amount on the bank statement for the principal and interest payments selected.
- For the five trustee payments, we validated if bond liabilities as of the year-end date of June 30, 2021 were correct and if they were supported with a payment by obtaining the debt service schedules for Series 2012B, 2013, 2014, 2017, and 2021C bonds as part of the fiscal year 2021 audit and agreeing each amount to the corresponding debt service schedule provided by management.

<u>Sample No.</u>	<u>Project No.</u>	<u>Fund and Account Description</u>	<u>Transaction Type</u>	<u>Transaction Amount</u>
58	10001719	MTA TS DSF REVBD S2017 (NEW) - Bond Interest-Expense	Trustee Payment	\$ 558,691
59	10001719	MTA TS DSF REVBD S2017 (NEW) - Bond Redemption	Trustee Payment	558,333
60	10001719	MTA TS DSF REVBD 2013A (NEW) - Bond Redemption	Trustee Payment	426,667
61	10001719	MTA TS DSF REVBD S2021A - Bond Interest-Expense	Trustee Payment	265,029
62	10001719	MTA TS DSF REVBD 2013A (NEW) - Bond Interest-Expense	Trustee Payment	172,376

Results: No exceptions were found as a result of applying these procedures.