

FY2015 Agreed-Upon Procedures for SFMTA Revenue Bonds

Procedure 1

For Revenue Bonds Series 2012, 2013 and 2014, provide statement that debt proceeds and interest income are expended solely for uses, purposes and projects authorized in the authorizing resolution.

Procedure 2

Perform the following procedures with respect to uses, expenditures, encumbrance and balances through June 30, 2015:

- Validate that uses are solely for purposes per authorizing resolution and applicable law.
- Validate that project expenditures and encumbrances are appropriately for authorized capital projects.
- Validate if the trustee payments for debt service are according to terms, amounts are correct and dues dates met.
- Validate if balances are correct.

Procedure 3

- Select a sample expenditures and encumbrances and determine if: (a) for authorized capital projects, (b) properly supported, (c) was processed in accordance with internal procedures.
- Select sample trustee payments for debt service and determine if according to terms, amounts are correct and due dates met.
- Trace bond balances to supporting records.

Sampling size and selection to discuss with KPMG.

- Select a statistically valid sample size.
- Samples must include the following kinds of transactions:
 1. Interdepartmental charges such as from DPW
 2. Funding movement from one project to another

Note. First AUP Report issued 1/15/2014 covering Revenue Bonds Series 2012; expenditures, encumbrance and balances through 6/30/2013.