

Agreed-Upon Procedures for SFMTA Revenue Bonds Series 2012

Procedure 1

Provide statement that Revenue Bonds Series 2012: (1) debt proceeds are expended only in accordance with the authorizing resolution and applicable law, (2) debt proceeds are expended solely for uses, purposes and projects authorized in the authorizing resolution, and (3) debt proceeds are appropriately expended for authorized capital improvements.

Procedure 2

Perform the following procedures with respect to uses, expenditures, encumbrance and balances through June 30, 2013:

- 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.