



FY2016 Agreed-Upon Procedures for SFMTA Revenue Bonds

As Approved by the Bond Oversight Committee on August 17, 2016

The purpose of the Agreed-Upon Procedures for the Revenue Bonds Series 2012, 2013 and 2014 is to confirm that debt proceeds and interest income have been recorded in the accounting system solely for uses, purposes and projects authorized in the authorizing resolution.

Procedure - Uses

Perform the following procedures with respect to uses, expenditures, encumbrance and balances for the year ending June 30, 2016:

- Validate that uses are solely for purposes per authorizing resolution and applicable laws;
- Validate that project expenditures and encumbrances are for authorized capital projects;
- Validate that transactions are properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures
- Validate if the trustee payments for debt service are according to terms, amounts are correct and dues dates have been met; and
- Validate if bond balances reported are correct and trace to supporting records.

Sample Selection

Select a sample of sixty (65) transactions, split as follows:

- 20 expenditures with the highest dollar amounts
- 20 assorted expenditures for small dollar amounts for projects not tested in prior engagements
- 15 Interdepartmental Charges
- 5 Trustee payments
- 5 Budget (funding) transfers between projects

Schedule

- August 26th
 - SFMTA will provide transaction detail files by Transactions for "CPF" (project) sub-funds
 - Transactions for DSF (debt) sub-funds
 - Budget and accumulated expenditures for work authorizations
- September 1st - KPMG will provide the sample selection
- September 8th - MTA will provide samples and KPMG will start fieldwork
- November 7th - KPMG will issue a draft report
- November 14th - SFMTA will review and provide edits to draft report
- November 21st - KPMG will issue draft report to BOC
- November 30th - BOC will review and provide edits to draft report
- December 12th - KPMG will issue final report