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August 9, 2023

Carmen LeFranc
City and County of San Francisco
San Francisco Municipal Transportation Agency
1 Dr Carlton B Goodlett Place
San Francisco, California 94102-4678

Dear Carmen:

This letter confirms the arrangements for Crowe LLP ("Crowe" or "us" or "we" or "our") to provide the professional services discussed in this letter to City and County of San Francisco ("you", "your", "City" or "Client"). This letter supplements the Agreement between the City and County of San Francisco and Crowe LLP Contract ID 1000028452 effective June 1, 2023.

Crowe will apply agreed upon procedures related to the San Francisco Municipal Transportation Agency's (SFMTA) compliance with the requirements of its bond authorizations and resolutions for the year ended June 30, 2023 for Client from information you provide. The intended purpose of the engagement is to assist the specified parties in understanding SFMTA's compliance with the requirements of its bond authorizations and resolutions and the report is intended to be used by Client. Client is responsible for compliance with those requirements.

PROFESSIONAL SERVICES

Our Responsibilities

The agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We have no obligation to perform any procedures beyond those agreed to by you and have been acknowledged to be appropriate for your purposes. If we were to perform additional procedures, other matters might come to our attention that would be reported to you. It is understood that we will prepare a report reflecting our findings of the procedures for use by you. We make no representations as to the adequacy of these procedures for your purpose.

If you decide that additional procedures are needed, we will discuss those with you. It is customary for us to document such revisions by an addendum to this letter. If you wish to add specified users of the report, we will require that you provide, at the conclusion of the engagement, written representation that you have obtained the specified users' agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes.

The agreed-upon procedures do not contemplate obtaining the understanding of internal control or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an examination. Thus, this engagement does not provide assurance that we will become aware of significant matters that would be disclosed in an examination. Client agrees not to rely on our engagement to disclose errors, fraud or

illegal acts that may exist. However, we will inform you of any significant errors that may come to our attention. Our engagement will not enable us to address legal or regulatory matters or abuses of management discretion, which matters should be discussed by you with your legal counsel. You are also responsible for the accuracy and completeness of the information provided to Crowe for purposes of this engagement and for timely updating such information. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Our procedures and work product are intended for the benefit and use of you. This engagement will not be planned or conducted in contemplation of reliance by any other party or with respect to any specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. The working papers for this engagement are the property of Crowe and constitute confidential information.

If, for any reason, we are unable to complete the agreed-upon procedures, we will not issue a report as a result of this engagement.

Client's Responsibilities

The agreed upon procedures are listed in Attachment A. You agree to the procedures included in Attachment A and acknowledge that the procedures are appropriate for the intended purpose of the engagement.

You agree to provide a written representation letter at the conclusion of the engagement. Because of the importance of the written representations to this engagement, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by you, the engaging party.

The Client is responsible for providing to us, on a timely basis, all information of which you are aware that is relevant to this agreed-upon procedures engagement. The Client is also responsible for providing such other additional information we may request for the purpose of this engagement, and unrestricted access to persons within the Client from whom we determine it necessary to perform the agreed-upon procedures.

Other Matters

Our report is expected to be restricted to your use.

Although the actual language of our report may change as a result of our procedures, we presently expect our independent accountant's report on the agreed-upon procedures to read as follows:

We have performed the procedures enumerated below related to San Francisco Municipal Transportation Agency's (SFMTA) compliance with the requirements of its bond authorizations and resolutions for the year ended June 30, 2023. Client is responsible for compliance with those requirements.

Client has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of understanding compliance with the above specified requirements. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for 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.

An agreed-upon procedures engagement involves performing specific procedures and reporting on findings based on the procedures performed.

The procedures and the associated findings will be inserted.

We were engaged by Client 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. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specific requirements. 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 the Client and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Client and is not intended to be, and should not be, used by anyone other than these specified parties.

In delivering services to Client, Crowe may use subsidiaries owned and controlled by Crowe within and outside the United States. Crowe subsidiaries are subject to the same information security policies and requirements as Crowe LLP and will meet the requirements set forth in the confidentiality and data protection provisions of this Agreement.

MISCELLANEOUS

For purposes of this Miscellaneous section and the Acceptance section below, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

ACCEPTANCE

I have reviewed the arrangements outlined above, and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.


IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Crowe LLP and the Engagement Authorized Signer below are licensed or otherwise authorized by the California Board of Accountancy.

City and County of San Francisco

Crowe LLP


Bree Mawhorter

DocuSigned by:

Katherine Lai
53F728AEB35042E...

Signature

Signature

Bree Mawhorter

Katherine Lai

Printed Name

Printed Name

CFO/CAO

Partner

Title

Title

August 23, 2023

August 9, 2023

Date

Date

Attachment A

Procedures over High Dollar and Random Small Dollar Samples

1. We will obtain the general ledger detail of all recorded transactions related to bond series 2017 and 2021C for the fiscal year ended June 30, 2023. We will select the 25 highest dollar amounts by filtering for Expenditure type under "Account Lvl 2 Code" column and sorting the transaction amount in the detail from largest to smallest. We will randomly select 15 additional expenditures from the general ledger detail.
2. For the sampled items in procedure #1, we will observe that the expenditures are solely for purposes per the bond authorization and resolution by comparing the project description on the approved invoice and encumbrance payment request form to the respective bond authorization and resolution to observe whether the respective bond authorization and resolution includes the projects' purpose.
3. For the sampled items in procedure #1, we will observe that the expenditures are for authorized capital projects by obtaining the approved invoice and Certificate of Progress Payment and observing that the invoice and progress payment are signed by the project manager and contract administrator.
4. For the sampled items in procedure #1, we will observe that the transactions are properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures by obtaining the approved invoice, encumbrance payment request form, the Peoplesoft screenshot showing the amount paid prior to reimbursement, Certificate of Progress Payment, request for progress payment memorandum, and bank statement showing payment. For each selection, we will agree the amount in the progress payment memorandum to the amount in the encumbrance payment request form. We will obtain the Certificate of Progress Payment and observe that it was signed by the project manager and contract administrator. We will calculate the number of days between date of receipt of the invoice and date of payment per the bank statement. Note: Payment should be made within 30 days per the City and County of San Francisco's (CCSF) Prompt Payment Guideline.
5. For the direct salary samples in procedure #1, we will obtain the labor distribution system report and select one employee from the report. We will obtain the respective employee's timesheet and agree the hours from the timesheet to the labor distribution report. We will obtain the payroll register for each sampled employee and agree the pay rate to the pay rate on the labor distribution report. We will recalculate the payroll expense for each sampled employee.
6. For the indirect cost and fringe benefit samples in procedure #1, we will recalculate the indirect cost and fringe benefit amounts.
7. For the journal entry adjustment samples in procedure #1, we will obtain the Peoplesoft screenshot and agree the amount to the screenshot. We will compare the preparer name on the screenshot to the approver name on the screenshot to observe that the approver name is different from the preparer name. We will observe the approved date on the screenshot is after the prepared date.

Procedures over Interdepartmental Charges Samples

8. Using the same general ledger data file in procedure #1, we will randomly select 15 interdepartmental charges by filtering the general ledger detail by department group code and selecting items that are not identified as 'MTA'.
9. For the sampled items in procedure #8, we will observe the expenditures are solely for purposes per authorization and resolution by obtaining the SFMTA Work Authorization to Department of Public Works (DPW) form, the Peoplesoft screenshot, project description and project cost details provided by DPW. We will compare the project description on the form to the respective bond authorization and resolution.

10. For the sampled items in procedure #8, we will observe the project expenditures and encumbrance are for authorized projects by obtaining the SFMTA Work Authorization to DPW forms, respective invoices submitted by DPW, encumbrance amount (provided by management), Certificate of Progress Payment, and progress payment report (SBE form No. 7). We will agree 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 will obtain 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.
11. For the sampled items in procedure #8, we will observe whether the transactions are properly supported based on CCSF and SFMTA policies and are processed in accordance with SFMTA's internal procedures by performing the following:
 - a. Obtain the Work Authorization and observe that 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. Calculate that the SFMTA project manager approved the charges within 30 days of the end of the month the charges were recorded.
 - c. Observe that the Work Authorization has a project description and project code to which the expenditures can be charged for tracking purposes.
 - d. Obtain the invoices and Work Authorizations and compare the project descriptions to the project descriptions in the general ledger detail and to observe that expenditures were for capital projects per the respective bond authorization and resolution.
 - e. Observe that the invoices were submitted by DPW within 15 days of end of the month the charges were recorded.

Procedures over Budget (Funding) Samples

12. We will obtain an expenditure budget query report related to bond series 2017 and 2021C for the fiscal year ended June 30, 2023 from management that includes Commitment Control Detail Ledger. From this report, we will filter the column name "Fund description" for any Sustainable Streets (SS) and Transit (TS) Capital Revenue Bond as well as "Budget Ledger Name" for Commitment Control Detail Budget. We will randomly select 2 budget (funding) transfers from the filtered data.
13. For the sampled items in procedure #12, we will observe the uses are solely for purposes per the bond authorization and resolution by obtaining the SFMTA Work Authorization Request and compare the project description to the respective bond authorization and resolution.
14. For the sampled items in procedure #12, we will observe the project expenditures and encumbrances are for authorized capital projects by obtaining the SFMTA Work Authorization Request and confirm it was signed by a project manager prior to the creation of the Peoplesoft entry recorded by the SFMTA accounting staff.
15. For each selection in procedure #12, we will observe the transactions are properly supported based on CCSF and SFMTA policies and are process in accordance with SFMTA's internal procedures by obtaining the work authorization request and observe that it has a project description and a project code. We will obtain the Peoplesoft screenshot and agree the amount from the screenshot to the amount on the work authorization request.

Procedures over Trustee Payments Samples

16. We will obtain a listing of all bond debt service payments to trustee related to the bond series 2017 and 2021C from management for the fiscal year ended June 30 2023 and randomly select 5 payments.
17. For the sampled items in procedure #16, we will observe the trustee payments for debt service were made in accordance with terms by performing procedures to determine whether the amounts paid were correct and the payments were paid by the due date. We will obtain the monthly payment request and agree the interest and principal payment amounts to the respective amounts posted per the bank statement and compare the payment date per the bank statement to the that of the due date per the monthly payment request.
18. We will agree the bond balances per the general ledger for each series as of June 30, 2023 to the debt roll forward and debt service schedule provided by management.