

FY2018 Agreed-Upon Procedures for SFMTA Revenue Bonds

DRAFT

The purpose of the Agreed-Upon Procedures for the Revenue Bonds Series 2012, 2013, 2014 and 2017 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, 2018:

- 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:

- 25 expenditures with the highest dollar amounts
- 15 assorted expenditures for small dollar amounts
- 15 Interdepartmental Charges
- 5 Trustee payments
- 5 Budget (funding) transfers between projects

Schedule

- August 17th
 - SFMTA will provide transaction detail files by Transactions for projects
 - Transactions for DSF (debt) sub-funds
 - Budget and accumulated expenditures for work authorizations
- September: Testing is performed
- October: Review of testwork
- Early November: Draft report and provide to MTA
- Mid November: MTA provide comments on draft report
- End November: KPMG provide draft report to BOC for review
- Early December: KPMG will present and issue final report