



Metropolitan Transportation Commission

Audit Results and Required Communications

October 28, 2020



Dear Members of the Audit Committee of Metropolitan Transportation Commission,

We are pleased to present our report on the audit of Metropolitan Transportation Commission ("MTC") and related entities. Our report includes a summary of the audit results and also required auditor communications under professional standards.

Our audit is substantially completed. The remaining open items typical of this stage are the receipt of the management representation letters and standard subsequent event procedures through the date of audit report issuance.

We welcome any questions you or others may have on our audit. Thank you for the opportunity to discuss the audit results.

Sincerely,

A handwritten signature in black ink that reads "Katherine V. Lai".

Katherine V. Lai
Engagement Partner



Agenda

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Audit Scope

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Audit Results

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Required
Communications

Audit Scope

Entities Subject to Financial Statement Audit



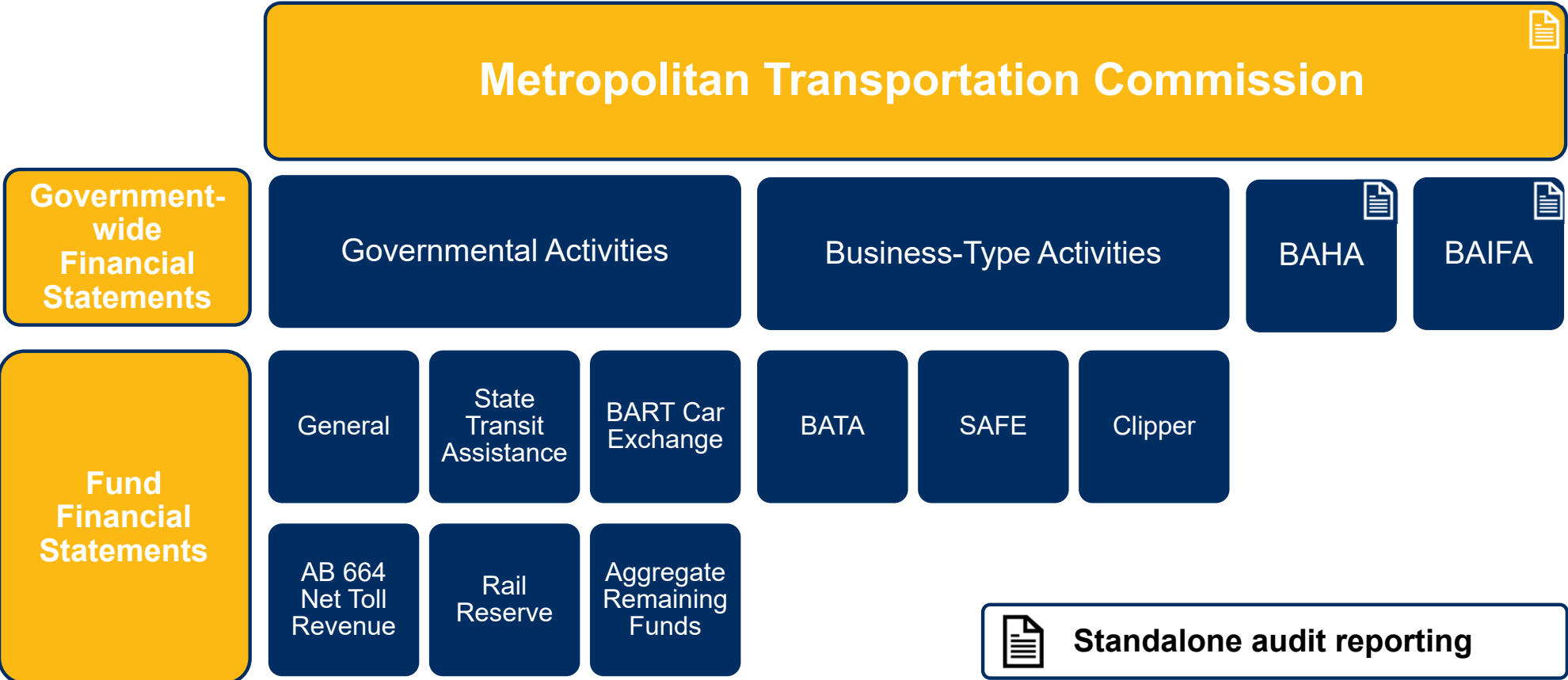
Metropolitan Transportation Commission
(MTC)

Bay Area Headquarters Authority (BAHA)

Bay Area Infrastructure Financing
Authority (BAIFA)

375 Beale Condominium Corporation
(375 Beale)

Preliminary Opinion Units and Standalone Reporting



Audit Results

Financial Statement Audit Reports



- Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2020

Entity	Opinion
MTC	Unmodified
BAHA	Unmodified
BAIFA	Unmodified
375 Beale	Unmodified

Compliance Audit Reports

Uniform Guidance Report (MTC)

- Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
 - No federal findings noted
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - No instances of non-compliance or other matters noted
 - No material weakness noted



MTC Deficiencies



- Governmental Fund Revenue Recognition and Availability Criterion
- Management Review over Service Organization Controls (SOC) Reports
- Benefits Reconciliation
- Proper Coding of Vendor Invoices

Required Communications

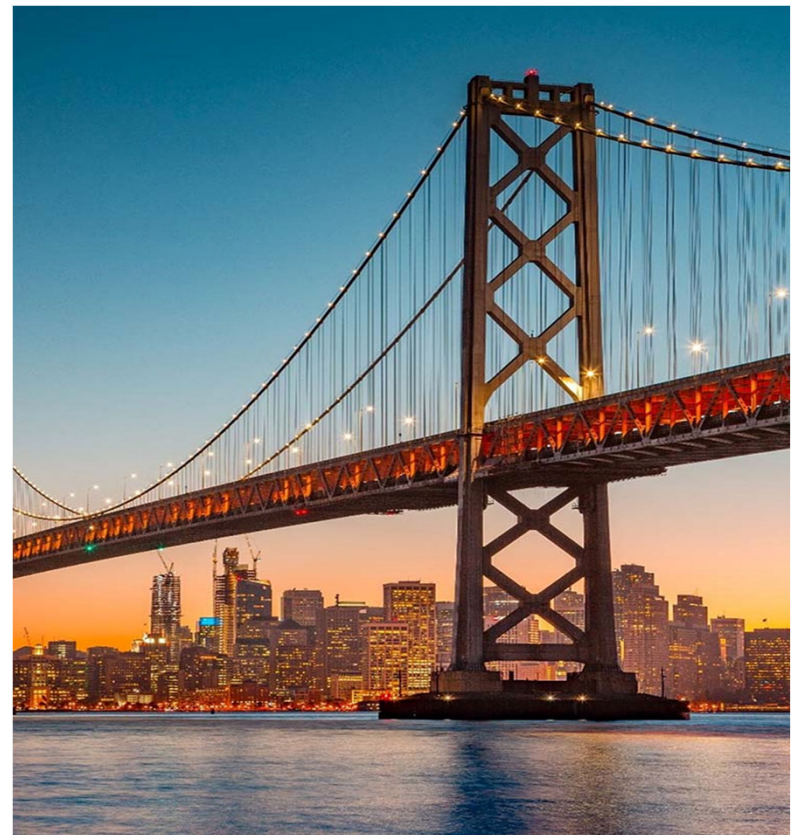
Required Communications

- Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Management has disclosed the summary of significant accounting policies in footnote 1 of each report.
- Adoption of New Accounting Standards: Management adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*



Required Communications (continued)

- Management Judgments and Accounting Estimates:
Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments.



Required Communications (continued)

- Corrected Misstatements: We did not note any material corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Uncorrected Misstatements: We note that the uncorrected misstatements that were aggregated by us during the audit were determined by management to be immaterial, both individually and in the aggregate, to each opinion unit of the financial statements. These are summarized as an attachment to management's representation letters.



Required Communications

We did not note:

- Significant Accounting Policies in Controversial or Emerging Areas
- Significant Unusual Transactions
- Significant Difficulties Encountered during the Audit
- Disagreements with Management
- Consultations with Other Accountants
- Significant Related Party Findings and Issues
- Independence matters



Questions?



Thank You

Katherine V. Lai

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