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375 Beale Condominium Corporation

Audit Results and Required Communications

November 9, 2021



Dear Members of the 375 Beale Condominium Corporation Board,

We are pleased to present our report on the audit of 375 Beale Condominium Corporation. 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 letter 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

Client Service Team



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Audit Objectives



Engagement Objectives

- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with accounting principles generally accepted in the United States.
- The audit of financial statements will be performed in accordance with auditing standards generally accepted in the United States (GAAS).
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.
- Our audit includes consideration of internal controls over financial reporting, but we do not express an opinion on the effectiveness of such internal controls. Management is responsible for the design and the effectiveness of internal controls.

Audit Results

Financial Statement Audit Report



- Independent Auditor’s Report on the financial statements as of and for the year ending June 30, 2021.

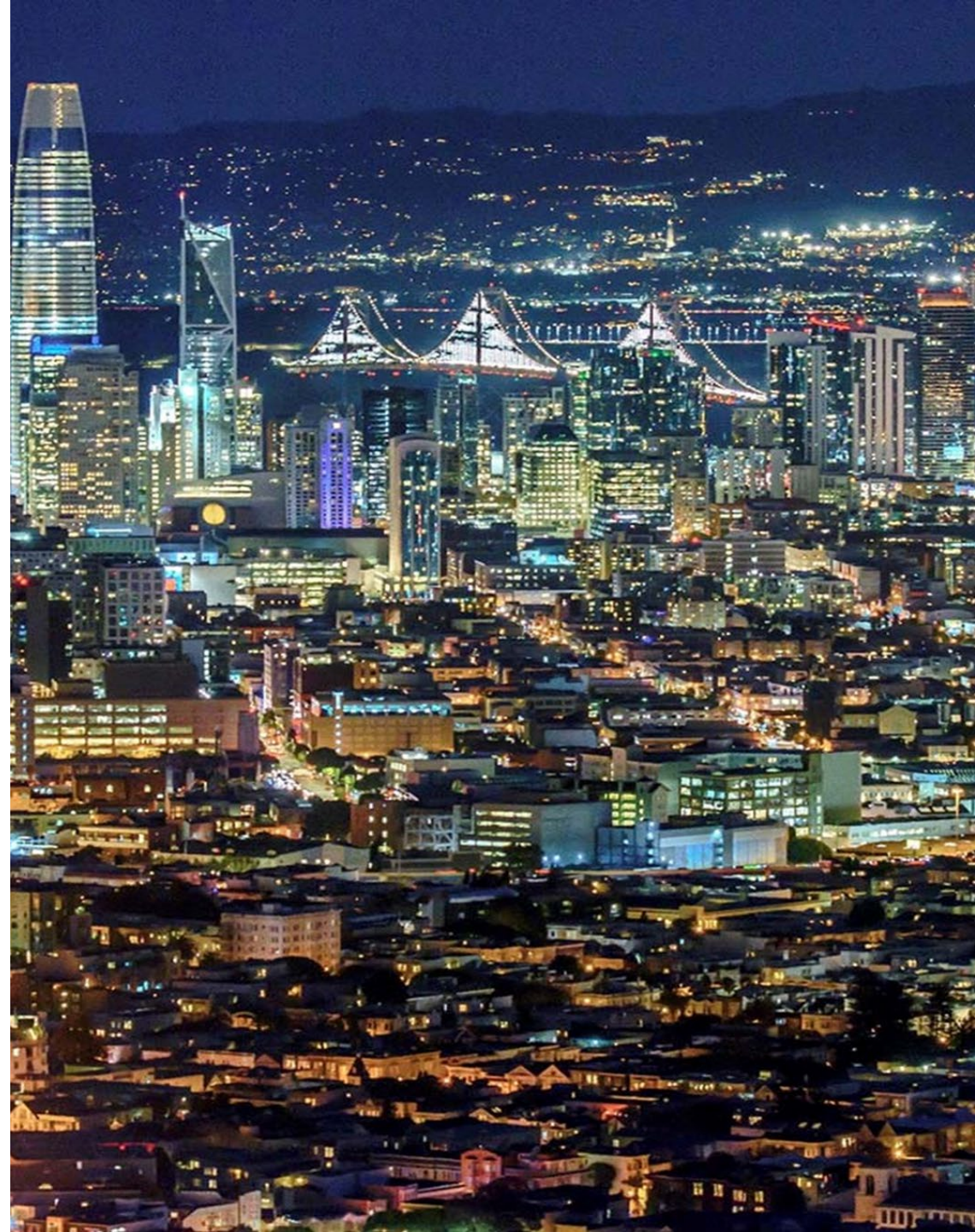
Entity	Opinion
375 Beale	Unmodified

- We did not identify any deficiencies, significant deficiencies, or material weaknesses during our audit.

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.
- 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

- Adoption of New Accounting Standards:
 - GASB Statement No. 84, *Fiduciary Activities*
 - *GASB Statement No. 90, Majority Equity Interests*
 - *GASB Statement No. 93, Replacement of Interbank Offered Rates*
 - *Implementation Guide 2019-1 & 2019-2*



Required Communications

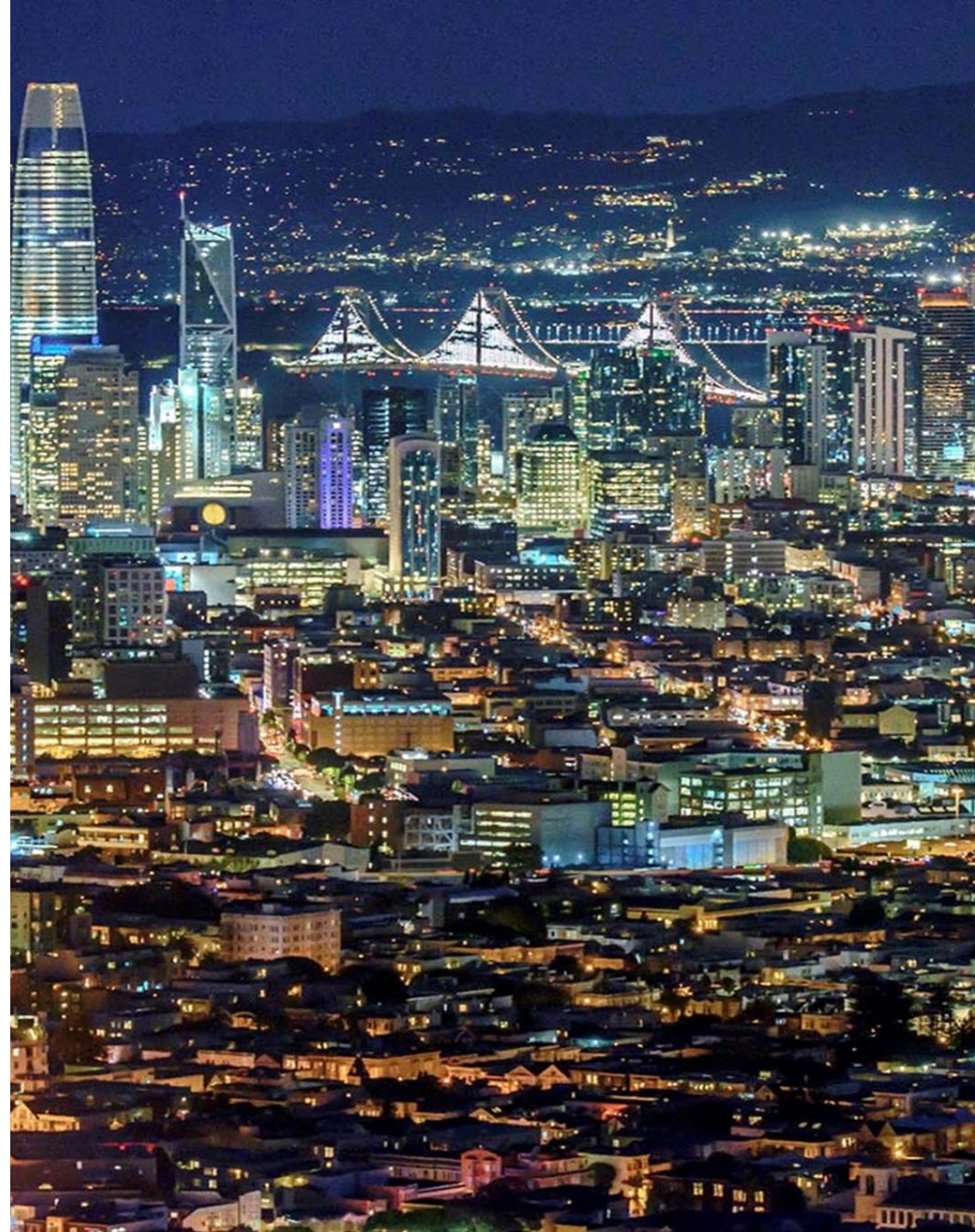
- Corrected Misstatements: We did not note any material corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Uncorrected Misstatements: We did not note any uncorrected misstatements that were brought to the attention of management as a result of our audit procedures.



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, CPA, CGMA

Partner

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375 BEALE CONDOMINIUM CORPORATION

375 Beale Condominium Corporation (Condo Corp) is a non-profit organization formed to manage the three condominium unit owners' common interest development in 375 Beale Street, San Francisco, California.

The 375 Beale Condo Corp is managed by the executive officers of the three condominium owners, BAHA, Bay Area Air Quality Management District (BAAQMD) and the Association of Bay Area Governments (ABAG). Highlights of the Condo Corp

- The operation is intended to be self-supporting during the operating years with any positive or negative adjustment made in the following year.

375 Beale Corporation

- ▶ 375 Beal is designed to be a self-funding / self-balancing account with residual year end balances assessed back to the condominium owners
- ▶ Statement of Revenue & Expenses
 - ▶ Revenue \$5.8 million up 6.5%
 - ▶ Expenses \$4.7 million down 6.3%
- ▶ Balance refunded to owners
 - ▶ FY 2021 \$1.16 million
 - ▶ FY 2020 \$ 494 thousand

375 Beale Condominium Corporation
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021
 (With comparative information for the prior year)

	2021	2020
Operating Revenues		
Assessment fees	\$ 5,816,458	\$ 5,461,872
Refund of excess assessment fees	(1,162,196)	(494,233)
Other operating revenue	4,026	1,328
Total operating revenues	4,658,288	4,968,967
Operating Expenses		
Common area	3,201,540	3,250,943
Shared services	1,456,860	1,720,071
Total operating expenses	4,658,400	4,971,014
Operating loss	(112)	(2,047)
Nonoperating Revenues		
Interest income	112	2,047
Total nonoperating revenues	112	2,047
Change in Net Position	-	-
Net Position - Beginning of Year	-	-
Net Position - End of Year	\$ -	\$ -