



Metropolitan Transportation Commission

Audit Results and Required Communications

October 23, 2024



Dear Members of the Audit Committee of Metropolitan Transportation Commission,

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

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

1. **Introductions**
2. **Audit Objectives**
3. **Audit Results**
4. **Required Communications**



Introductions

Client Service Team



Rich Perilloux
IT Audit Partner



Kathy Lai
Lead Engagement Partner



Brad Schelle
Concurring Review Partner



Scott Nickerson
Audit Partner



Michelle Buss
Senior Manager



Cassandra Taylor
IT Audit Senior Manager



Joseph Widjaja
Senior Manager



Erika Alvarez
Senior Manager



Cory Lee
Senior Manager



Johnson Chung
Audit Manager

Tony Boras
GASB Technical Reviewer

Bert Nuehring
Consulting Partner

Chris Moore
Derivatives Partner

Brian Archambeault
Uniform Guidance Technical Reviewer

Erik Nylund
Consulting Managing Director

Matt Geerdes
Accounting Advisory

Audit Objectives



Audit 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) and generally accepted Government Auditing Standards (GAGAS).
- 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.

MTC Reports

Metropolitan Transportation Commission
(MTC)

Bay Area Headquarters Authority (BAHA)

Bay Area Infrastructure Financing
Authority (BAIFA)

Bay Area Housing Finance Authority
(BAHFA)



MTC Opinion Units & Standalone Reporting

Metropolitan Transportation Commission

**Government-wide
Financial
Statements**

Governmental Activities

Business-Type Activities

BAHA

General

State
Transit
Assistance

BART Car
Exchange

BATA

SAFE

BAIFA

AB 664 Net
Toll
Revenue

Rail
Reserves

BAHFA

Aggregate
Remaining
Funds

Aggregate
Remaining
Funds

**Fund
Financial
Statements**



Standalone audit reporting

Audit Results



Audit Results

Financial Statement Audit Reports



- Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2024.

| Entity | Opinion |
|--------|------------|
| MTC | Unmodified |
| BAHA | Unmodified |
| BAIFA | Unmodified |
| BAHFA | Unmodified |

Audit Results

Other Reporting Compliance

Uniform Guidance Report (MTC)

- Major Programs:
 - Federal Transit Cluster
- 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 internal control deficiencies, non-compliance or other matters noted.



Required Communications



Required Communications

Required Communications - 1

- 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

Required Communications - 2

Adoption of New Accounting Standards:

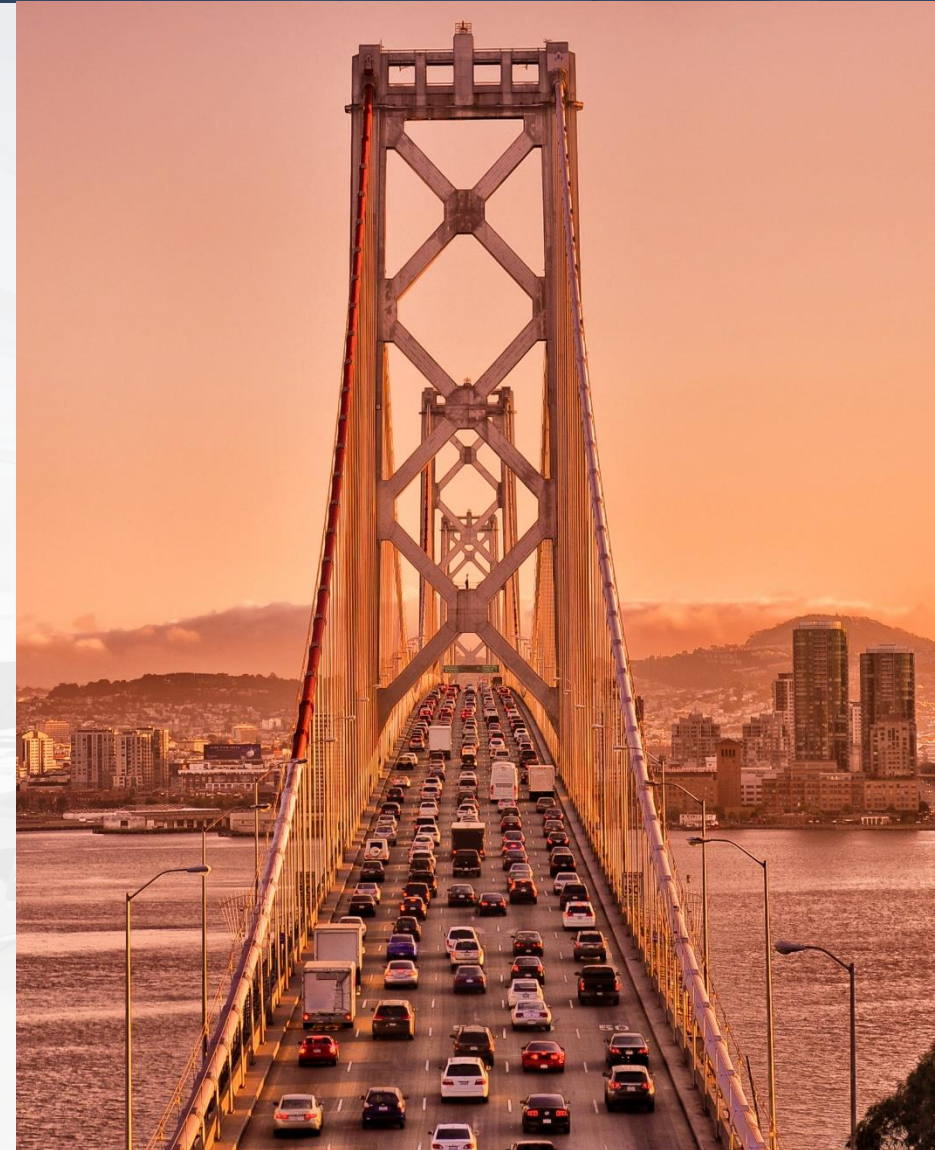
- GASB 99 – Omnibus 2022 (financial guarantees and classification of derivatives)
- GASB 100 – Accounting Changes and Error Corrections
- Implementation Guide 2021-1 – capital assets (5.1)
- Implementation Guide 2023-1



Required Communications

Required Communications - 3

- Corrected Misstatements:
No corrected material misstatements
- Uncorrected Misstatements:
Any uncorrected misstatements that were brought to the attention of management were immaterial.



Required Communications

Required Communications - 4

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

Kathy Lai, CPA

Audit Partner

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