



## TRANSBAY JOINT POWERS AUTHORITY

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### REQUEST FOR QUALIFICATIONS No. 25-01

#### Independent Audit Services

February 25, 2025

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#### QUESTIONS & ANSWERS

The following questions were received related to the above-referenced RFP. Some questions have been paraphrased to improve readability and/or to consolidate questions submitted by multiple respondents on the same topic:

1. **Question:** How long has the current audit team been conducting audits for the Authority?  
**Answer:** The contract with the current audit team for Independent Auditing Services has been in place since June 2020.
2. **Question:** How many auditors were on-site for interim and year-end fieldwork, and for how many weeks?  
**Answer:** Last year, both the interim and year-end processes were conducted remotely.
3. **Question:** What are the target timelines for:  
**Answer:**

  - a. Interim Audit: June-August
  - b. Year-End Audit: October- November
  - c. Draft Reports: November
  - d. Final Reports: December
4. **Question:** What were the annual audit fees for the previous year? Please provide a breakdown by report.  
**Answer:** The independent auditor's reports, MD&A, Basic Financial Statements, supplementary reports (including the Single Audit Report) were charged at the estimated base rate of \$54,482 for the FY and \$20,000 for additional services. Actual fees came out to \$43,616 after the audit was completed.
5. **Question:** Are any new services requested in this RFP not covered in the previous year's audit fee?  
**Answer:** No.

6. **Question:** Will there be a Single Audit? (Please include the most recent report copy with your response).  
**Answer:** Depending on the receipt and spending federal funds, there might be single audit during the terms of this contract. See the attached report.
7. **Question:** Who handles the State Controller's Financial Transaction Report preparation and submission if necessary? If it's the auditors, what were the fees for the last year?  
**Answer:** TJPA.
8. **Question:** How many journal entries were recommended by the auditors, and were there any findings?  
**Answer:** Auditors advised & gave guidance on our GASB 87 entries. There were zero findings.
9. **Question:** Did the auditors make any significant adjustments during the examination of the previous year's Financial Statements?  
**Answer:** No.
10. **Question:** Has the Authority entered into any significant contracts, studies or initiated any projects in the Current Fiscal Year that are not reflected in the Prior Year's Financial Statements?  
**Answer:** No.
11. **Question:** Were there any New Debt Issuances in the Current Fiscal Year?  
**Answer:** No.
12. **Question:** Is the Authority involved in any litigation not disclosed in the Prior Year's Financial Statements?  
**Answer:** No.
13. **Question:** Could any other significant changes in the Current Fiscal Year impact the Authority's operations?  
**Answer:** No.
14. **Question:** What criteria were used to assess the quality of the audit conducted?  
**Answer:** The quality of the audit was assessed based on several criteria, including the thoroughness of the audit procedures, the accuracy and completeness of the financial statements, adherence to accounting standards, and the effectiveness of communication between the auditors and our team. Additionally, the timeliness of the audit completion and the quality of the final report.
15. **Question:** In your perspective, which audit areas proved to be particularly challenging?  
**Answer:** The analytical review was the most challenging due to the restructuring of our Chart of Accounts in FY25 and the reconfiguration of our Financial System. This made it challenging for us to compare historical data.

16. **Question:** What improvements or efficiencies would you like to see in the audit of the Authority's financial records?

**Answer:**

1. Utilizing the same staff from the annual audit who have gained knowledge about TJPA to enhance efficiency and minimize duplicative efforts and time.
2. A more detailed review of the final reports to avoid errors.

17. **Question:** Why is TJPA going out for bid?

**Answer:** The current contract expires in June 2025. We are required to solicit the services per our Procurement Policy.

18. **Question:** Has your prior audit firm been invited to respond to this RFP? If not, why not?

**Answer:** The prior audit firm may respond to this RFP if they would like to as this is a solicitation open to the public. Any firm who meets the minimum qualifications is welcome to submit a proposal.

19. **Question:** Do you anticipate that your current audit firm will propose? If not, why not?

**Answer:** We welcome the current audit firm to submit a proposal, however, due to limitations on communications during the RFP process, TJPA staff are not allowed to discuss the RFP, even asking whether or not a company will submit a proposal, therefore, we cannot answer whether or not we anticipate they will.

20. **Question:** How is current fieldwork for all segments performed between in-person, hybrid or remote? What, if any, concerns does TJPA have with a remote approach?

**Answer:** Last year's audit was conducted remotely, and we are open to any approach.

21. **Question:** Please provide audit fees paid by TJPA for each of the last three audit cycles.

**Answer:** FY24 - \$43,616, FY23 - \$52,674, FY22 - \$55,189.

22. **Question:** Were there any instances of known or suspected fraud within TJPA over the last year?

**Answer:** No.

23. **Question:** For FY24, what were the total audit hours to complete the audit and single audit for TJPA- and how many auditors were involved in each?

**Answer:** For FY24, the total audit hours to complete both the audit and the single audit for TJPA were billed on a project basis per the approved contract, not by hours. A total of 4 auditors were involved in the audit process.

24. **Question:** Has the current auditor charged TJPA fees outside the scope of the audit in the past several years? If so, what is the nature of this and the amount of fees?

**Answer:** No.

25. **Question:** What is the typical timing of preliminary and final fieldwork for TJPA?

**Answer:** Please see the Answer for Question 3.

**26. Question:** Do you anticipate any new debt in FY25? If so, how much and what for?

**Answer:** No.

**27. Question:** If not, are you open to using such a tool?

**Answer:** N/A.

**28. Question:** Have you encountered any difficulties with your audits in prior years? If so, please describe.

**Answer:** No.

**29. Question:** Does TJPA have internal control documentation of key accounting cycles (disbursements, payroll, taxes, etc.)? If so, in what format (narratives, flowcharts, other)?

**Answer:** Yes. We have an Internal Controls document in the form of narratives.

**30. Question:** How does TJPA maintain their capital assets data?

**Answer:** We manage it through an excel workbook.

**31. Question:** Are there any major anticipated changes in TJPA's operations or organization that will significantly impact the audit?

**Answer:** In FY 2024-25 we restructured our Chart of Accounts and did a reconfiguration on our Financial System. These changes may create some difficulties in generating reports crossing fiscal years. We aim to have the g/l translation accounts linked and ready by the time of the audit to ensure things run smoothly.

**32. Question:** Have there been any changes in management or accounting staff since last year? Do you anticipate any changes in the near future?

**Answer:** We have hired a new Procurement & Contracts Compliance Manager, as well as a new Senior Accountant. Two other staff have changed positions. These changes occurred between July 2024 through September 2024. There is an empty seat in the Fiscal Services Manager position which may be filled in the future.

**33. Question:** Who prepares and maintains the financial information for GASB 87 and GASB 96 (if applicable)? Is software used? If so, what product? If not, what method is used?

**Answer:** The financial information is prepared by the Accounting staff and reviewed by the Accounting Supervisor or Chief Financial Officer. We use Debtbooks software to maintain and report relevant information.

**34. Question:** If your audit was completed remotely last year, what went well? What improvements would you like to see made to the process?

**Answer:** The auditors were quick to respond to the agency's inquiries and provided results quickly. However, an area for improvement would be for the auditing team to communicate more effectively within their group before contacting the agency. This

would help avoid requesting the same information multiple times and make the process more efficient.

- 35. Question:** If your audit was completed onsite last year, what went well? What improvements would you like to see in the process?  
**Answer:** N/A.
- 36. Question:** Were there any proposed audit journal entries for TJPA financial statements for FY23 and FY24? If so, how many for each year? Please provide copies or a summary of what they were related to?  
**Answer:** Please see the Answer for Question 8
- 37. Question:** Do you anticipate any large capital asset projects in FY25? If so, how much and what for?  
**Answer:** Please see the Answer for Question 61.
- 38. Question:** Please provide copies of the separate management letter issued for TJPA for FY24.  
**Answer:** Please see attached.
- 39. Question:** Who prepares TJPA financial statement schedules and footnotes?  
**Answer:** The financial statement schedules are prepared by the auditors, while TJPA prepare the footnotes.
- 40. Question:** Do you expect a federal compliance audit will be needed for FY25?  
**Answer:** No.
- 41. Question:** Is TJPA expecting any new significant awards in the next 3-5 years?  
**Answer:** Yes. TJPA may be awarded a Capital Investment Grant (CIG) in the next 3-5 years and is in the process of securing its pre-awarded CRISI and Wayfinding grants.
- 42. Question:** Who prepares the schedule of federal awards? If TJPA, when is it available for auditing?  
**Answer:** The auditor prepares the Schedule of Expenditures of Federal Awards (SEFA) as part of the single audit report.
- 43. Question:** Why are you making a change in audit firms?  
**Answer:** Please see the Answer for Question 17.
- 44. Question:** Is the existing firm, Maze & Associates, being asked to propose?  
**Answer:** Please see the Answer for Question 18.
- 45. Question:** Did you have any disagreements with Maze & Associates over accounting matters, findings, journal entries, disclosures during FY 2024 audit?  
**Answer:** No.

46. **Question:** Are you aware of any fraud that has occurred for the period under audit? If yes, please explain.  
**Answer:** No.
47. **Question:** Are you aware of any litigation that you are subject to for the period under audit? If yes, please explain.  
**Answer:** No.
48. **Question:** Does management prepare the financial statements and supplemental schedules?  
**Answer:** The auditor does.
49. **Question:** What consulting needs do you anticipate you will need that you expect from the CPA firm?  
**Answer:** Financial reporting guidance, assistance with complex accounting issues, compliance with new governmental accounting standards, and audit-related matters. We may also require advice and guidance on accounting procedures and policies.
50. **Question:** What general ledger software are you using?  
**Answer:** The general ledger software used is Tyler Identity.
51. **Question:** What financial information does the Finance Committee/Board receive? How frequently do they receive?  
**Answer:** The Board receives the quarterly financial report, the monthly and quarterly investment reports, and the financial statement report once it is finalized.
52. **Question:** Were there any audit adjusting journal entries for 6/30/24? If yes, please provide copy.  
**Answer:** Please see answers for Questions 8 & 36.
53. **Question:** How long has the current CFO and controller and/or main audit contact person been employed with TJPA?  
**Answer:** The current CFO has been employed with the TJPA since January 2024 and the Accounting supervisor has been employed with the TJPA since April 2021.
54. **Question:** Are any of these individuals CPAs?  
**Answer:** No.
55. **Question:** When will you be ready to start the 2025 audit?  
**Answer:** June 2025.
56. **Question:** Are you open to having the CPA firm performing interim work testing in anywhere between April – July?  
**Answer:** June.
57. **Question:** When will the various CalPERS pension and post-retirement benefit actuarial reports be ready?  
**Answer:** By July.

**58. Question:** The 6/30/24 audit report was dated/issued 1/7/25. Is this about the same time you expect 6/30/25's audit to be completed?

**Answer:** Our goal is to complete the audit in December and present it at the last board meeting of the year.

**59. Question:** List any other reports or attest projects you expect the CPA firm to provide.

**Answer:** All items listed on page 5 of the RFP PDF.

**60. Question:** Any significant new contracts entered into in FY 2025? If yes, describe.

**Answer:** The TJPA anticipates releasing the 40-CT (Civil and Tunnel) Request for Proposals (RFP) to the shortlisted firms who were qualified through our Request for Qualifications (RFQ) 23-04 in the relative near future. However, the contract will not be awarded in FY 2025.

**61. Question:** The 6/30/24 audit report disclosed \$57 million in commitments for construction, design, engineering costs. what is status of these projects? Any project placed in service in FY 2025?

**Answer:** The Program is being constructed in two phases. Phase 1, which has been delivered, includes design and construction of the above-grade portion of the Transit Center, including a 5.4-acre rooftop park, retail areas, and a public art program; the core and shell of the two below-grade levels of the train station; a bus ramp; a bus storage facility; and a temporary bus terminal. The Transit Center is now open to the public, and bus services have commenced operations.

Phase 2 of the Transbay Program is a 2.2-mile extension of the existing 77-mile Caltrain Peninsula Corridor rail alignment to include the design and construction of the Downtown Rail Extension (DTX) tunnel, rebranded as "The Portal", which includes construction of a new underground station at Fourth and Townsend streets and fit-out of the already built below-ground mezzanine and platform levels of the Transit Center to accommodate commuter rail and future high speed rail service. Phase 2 is currently in the engineering and preconstruction phase.

The TJPA's website contains further information about the Program.

**62. Question:** We generally hold a pre and post audit committee meeting. Is this something you will want?

**Answer:** Yes.

**63. Question:** Do you want CPA firm to be present at your office while conducting the audit?

**Answer:** We have no preference.

**64. Question:** For audits such as yours, our legal department reviews your master agreement and other such contractual documents and red-lines provisions for suggested changes. Are you open for such changes?

**Answer:** Yes, we are open.

- 65. Question:** Why is TJPA seeking proposals for audit services at this time? Is the current auditor invited to bid on this opportunity?  
**Answer:** Please see Answer for Question 17.
- 66. Question:** Does TJPA have a preference of an interim and year-end fieldwork time?  
**Answer:** Please see Answer for Question 3.
- 67. Question:** When the single audit is applicable does the completion of the compliance work occur at the same time as the financial statement fieldwork or at a later date?  
**Answer:** Preferably, at the same time but we are open for later date as well.
- 68. Question:** Does TJPA have a preference of fieldwork in person or remote?  
**Answer:** We have no preference.
- 69. Question:** What financial system does TJPA utilize?  
**Answer:** New World ERP from Tyler Technologies.



**TRANSBAY JOINT POWERS AUTHORITY**

**SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

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**TRANSBAY JOINT POWERS AUTHORITY**

**SINGLE AUDIT REPORT  
For The Year Ended June 30, 2023**

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**TRANSBAY JOINT POWERS AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2023**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?            Yes       x       No
- Significant deficiency(ies) identified?            Yes       x       None Reported

Noncompliance material to financial statements noted?            Yes       x       No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?            Yes       X       No
- Significant deficiency(ies) identified?            Yes       X       None Reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?            Yes       X       No

Identification of major program(s):

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
20.507	Federal Transit Cluster – Federal Transit Administration Federal Transit-Formula Grants (Urbanized Area Formula Program)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?            Yes       X       No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated March 27, 2024 which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

**TRANSBAY JOINT POWERS AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2023**

<b>Federal Grantor/ Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Federal Expenditures</b>
Department of Transportation <b>Direct</b> Programs		
Federal Transit Administration		
Federal Transit Cluster		
Federal Transit-Formula Grants (Urbanized Area Formula Program)		
Operating Assistance (CA-2021-045-00)	20.507	\$283,216
Operating Assistance (CA-2021-180-01)	20.507	1,970,223
<b>Total Department of Transportation</b>		<b>2,253,439</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$2,253,439</b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

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**TRANSBAY JOINT POWERS AUTHORITY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2023**

**NOTE 1 – REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the Transbay Joint Powers Authority, California, as disclosed in the notes to the Basic Financial Statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

**NOTE 3 – INDIRECT COST ELECTION**

The Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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**INDEPENDENT AUDITOR’S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Transbay Joint Powers Authority  
San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Transbay Joint Powers Authority (Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated March 27, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated March 27, 2024, which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in blue ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
March 27, 2024

**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Transbay Joint Powers Authority  
San Francisco, California

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Transbay Joint Powers Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Authority as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated March 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.



Pleasant Hill, California  
March 27, 2024

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TRANSBAY JOINT POWERS AUTHORITY

Adam Van de Water • Executive Director

January 7, 2025

Whitney Crockett, CPA  
Maze and Associates  
Certified Public Accountants  
3478 Buskirk Avenue, Suite 217  
Pleasant Hill, CA 94523

Dear Whitney,

This representation letter is provided in connection with your audit of the financial statements of Transbay Joint Powers Authority (TJPA), San Francisco, California. These financial statements comprise the financial position of the business-type activities as of June 30, 2024, and the changes in financial position, cash flows, and related disclosures for the year then ended (collectively, the “financial statements”). The purpose of this letter is to confirm, to the best of our knowledge and belief, the representations made to you during your audit and to support your opinions regarding whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

### **Financial Statements**

1. We have fulfilled our responsibilities, as outlined in the audit engagement letter dated January 7, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to ensure the financial statements are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. The methods, significant assumptions, and data used in making accounting estimates and related disclosures are appropriate and reasonable in accordance with U.S. GAAP.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

8. You have proposed adjusting journal entries that have been posted to the TJPA's accounts. We are in agreement with those adjustments.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the TJPA is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

11. We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the TJPA from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been appropriately recorded and reflected in the financial statements.
13. We have disclosed our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the TJPA and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting TJPA's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the names of TJPA's related parties and all the related party relationships and transactions, including any side agreements.

**Government – specific**

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. The TJPA has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred outflows/inflows of resources or fund balance or net position.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
25. We have appropriately disclosed all information for conduit debt obligations in accordance with GASB No. 91.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
28. As part of your audit, you assisted with the preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses the suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
29. TJPA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. TJPA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. The financial statements include all fiduciary activities required by GASB Statement No. 84, as amended.

32. The financial statements properly classify all funds and activities in accordance with GASB Statement Nos. 34 and 54, as amended.
33. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
35. Investments and land are properly valued.
36. Provisions for uncollectible receivables have been properly identified and recorded.
37. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
38. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
40. Deposits and investment securities and derivative instruments are properly classified as risk and are properly disclosed.
41. The fact that “uncollateralized” deposits or “uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the TJPA’s name” during the period significantly exceeded the amounts in those categories as of the financial statement date was properly disclosed in the financial statements.
42. The methods and significant assumptions used to determine fair value of financial instruments are properly disclosed in the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
43. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
44. Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. There are no impairment losses or insurance recoveries to record or disclose.
45. We have appropriately disclosed TJPA’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.

46. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
47. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
48. Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
49. We have evaluated TJPA's ability to continue as a going concern and have concluded that no disclosures are necessary in the financial statements.
50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signed: 

Title: Executive Director

Signed: 

Title: Chief Financial Officer