

June 22, 2023

To the Audit Committee of
Rochester- Genesee Regional Transportation Authority:

We have audited the financial statements of the business-type activities and aggregate remaining fund information of Rochester-Genesee Regional Transportation Authority (the "Authority") for the year ended March 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 7, 2023. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

The Authority implemented GASB Statement No. 87, *Leases*, which resulted in a prior period adjustment, as described in Note 2. The impacts of the implementation of the standard, however, were deemed to be immaterial. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the consolidating financial statements were: the liabilities recorded for self-insured health, workers' compensation and general claims, liabilities recorded for other postemployment benefits, assets and liabilities for defined benefit pension plans, the estimated useful lives of depreciable assets and the costs related to remediation obligations.

These estimates are based on management's judgment and analysis as well as claims data and information from third party plan administrators and actuaries. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements relate to the disclosures regarding postemployment benefit obligations and the pension asset and liabilities and the assumptions used to calculate these obligations.

The financial statement disclosures are neutral, consistent, and clear.

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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management as of the date of the Independent Auditor's Report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset), Schedule of Contributions - Pension Plan, and Schedule of Net Pension Liability for all Employer-Sponsored Pension Plans which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, the Combining Schedules of Net Position and of Revenue, Expenses, and Changes in Net Position, and the Combining Statements of Fiduciary Net Position and Changes in Fiduciary Net Position – Pension and Other Employee Benefit Trust Funds (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Annual Comprehensive Financial Report (ACFR) Introductory Section or Statistical Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This information is intended solely for the use of Board of Commissioners, Audit Committee, and management of Rochester-Genesee Regional Transportation Authority and each of its blended component units and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

BONADIO & CO., LLP