



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Greater Cleveland Regional Transit Authority
Cuyahoga County
1240 West 6th Street
Cleveland, Ohio 44113

To the Board of Directors and the Federal Transit Administration:

We have performed the procedures enumerated below, on the application of the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA) by the Greater Cleveland Regional Transit Authority (the Authority) for the fiscal year ended December 31, 2018. Such procedures, which were agreed to by the management of the Authority and the FTA, were performed to assist the Authority and FTA in determining conformance with USOA requirements based on the following assertion by the Authority's management:

The accounting system from which the NTD reports for the year ended December 31, 2018, were derived, uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA.

The Authority's management is responsible for conformance with the requirements described above. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and associated findings are as follows:

1. Procedure: NTD Crosswalk

- a. We obtained the following NTD Reporting Forms prepared by management for the year ended December 31, 2018:
 - NTD Form F-10, Sources of Funds – Funds Expended and Funds Earned (USOA Section 2)
 - NTD Form F-20, Uses of Capital (USOA Section 3)
 - NTD Form F-30, Operating Expenses (USOA Section 4, 5, and 6 and Appendix A)
 - NTD Form F-40, Operating Expenses Summary
 - NTD Form F-60, Financial Statement
- b. We obtained the reconciliation documentation management prepares (referred to as “the crosswalk” throughout this report) and reconciled the trial balance and other supporting documents such as Excel spreadsheets (collectively referred to as the accounting system) to the respective NTD Reporting Forms identified above.

- c. We inquired of management as to whether the crosswalk obtained in procedure 1.b is supported by the accounting system.
- d. We inspected the crosswalk to determine that it incorporates NTD reporting using the applicable modes and types of service identified in the bulleted list below:
 - Sources of Funds, Form F-10 – Funding sources, passenger fares by mode and service type, passenger fares by passenger paid or by organization paid fares, revenue object class, and funds expended on operations and capital fund types
 - Uses of Capital, Form F-20 - Type of use, asset classifications, and modes and service types
 - Operating Expenses, Form F-30 - Modes, service types, object classes and functions
 - Operating Expenses Summary, Form F-40 - Expense reconciling items
 - Financial Statement, Form F-60 - Current assets, non-current assets, deferred outflows of resources, current liabilities, non-current liabilities, and deferred inflows of resources.

Findings:

No exceptions were found as a result of this procedure.

2. Procedure: Accrual Accounting

- a. We obtained the most recent audited financial statements that include the transit agency and inspected the notes to the financial statements to determine whether the accrual basis of accounting was used.
- b. We inquired of management as to whether the accrual basis of accounting has continued to be used since the last audited reporting period and that it is used for NTD reporting in the current period.

Findings:

No exceptions were found as a result of this procedure.

3. Procedure: Sources of Funds (Form F-10)

- a. We traced and agreed total sources of funds from Form F-10 to revenue reported in the accounting system using the crosswalk.
- b. We inspected the crosswalk for a written reconciliation between total revenues reported in the trial balance and other supporting documents such as Excel spreadsheets (collectively referred to as the accounting system) and the total revenues reported on Form F-10.
- c. We traced and agreed the two largest directly generated fund passenger fare revenue modes (all service types) from Form F-10 to the accounting system.
- d. We traced and agreed the largest revenue object class (other than passenger fares) in the following major categories of funds from Form F-10 to the accounting system: (1) Local Government; (2) State Government; (3) Federal Funds; and (4) Other Directly Generated Funds (i.e., 4100 and 4200 combined).

- e. We inspected the crosswalk to determine that it identifies, evaluates, and classifies financial transactions into categories of funds expended on operations and funds expended on capital (USOA Section 2) for the reporting year.

Findings:

No exceptions were found as a result of this procedure.

4. Procedure: Uses of Capital (Form F-20)

- a. We obtained accounting system documentation on capital asset additions for the reporting period.
- b. We traced and agreed total uses of capital from Form F-20 to the crosswalk reconciliation of total capital asset additions.
- c. We traced and agreed types of use (existing service and expansion of service) from Form F-20 to the trial balance and other supporting documents such as Excel spreadsheets reflecting the nature of the uses of capital.
- d. We traced and agreed asset classifications (guideway, revenue vehicles, etc.) from Form F-20 to the trial balance and other supporting documents such as Excel spreadsheets reflecting the assets classes of capital additions.
- e. For the largest mode/service type, we traced and agreed the type of use classification and asset classification from Form F-20 to the trial balance and other supporting documents such as Excel spreadsheets reflecting the uses of capital.
- f. The Authorities capital projects support multiple mode/types of services and/or asset classifications. We inquired of management as to whether management reported the use of capital considering the predominant use rules as described in the "Predominant Use" section of the 2018 NTD Policy Manual.

Findings:

No exceptions were found as a result of this procedure.

5. Procedure: Operating Expenses (Form F-30)

- a. For the two largest modes/type of services, we traced and agreed functions (vehicle operations, vehicle maintenance, etc.) from Form F-30 to the trial balance and other supporting documents such as Excel spreadsheets.
- b. For the two largest modes/type of services, we traced and agreed object classes (natural expenses) from Form F-30 to the trial balance and other supporting documents such as Excel spreadsheets.

Findings:

No exceptions were found as a result of this procedure.

6. Procedure: Operating Expenses Summary (Form F-40)

- a. We obtained total expenses from the accounting system for the reporting period. We traced and agreed total expenses from Form F-40 to the accounting system using the crosswalk.

- b. We traced and agreed the reconciling items appearing on Form F-40 through the crosswalk to the accounting system.

Findings:

No exceptions were found as a result of this procedure.

7. Procedure: Financial Statement (Form F-60)

We traced and agreed (1) Current Assets; (2) Non-Current Assets; (3) Deferred Outflows of Resources; (4) Current Liabilities; (5) Non-Current Liabilities; and (6) Deferred Inflows of Resources appearing on Form F-60 to the trial balance and other supporting documents such as Excel spreadsheets.

Findings:

No exceptions were found as a result of this procedure.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, the Authority's conformance with the requirements described above, for the year ended December 31, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the information and use of management of the Authority and the FTA and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

June 28, 2018

OHIO AUDITOR OF STATE KEITH FABER



GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 16, 2019**