



OHIO AUDITOR OF STATE
KEITH FABER



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88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Toledo Area Regional Transit Authority
Lucas County
1127 West Central Avenue
P.O. Box 792
Toledo, Ohio 43695-0792

To the Board of Directors:

We have performed the procedures enumerated below, solely to assist the Authority in complying with the reporting requirements of the National Transit Database (NTD), *Uniform System of Accounts (USOA)* and *Records and Reporting System; Final Rule*, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 Policy Manual*, for the year ended December 31, 2020. Management of the Authority is responsible for compliance with these requirements.

The Board of Directors and the management of the Toledo Area Regional Transit Authority, Lucas County, Ohio (the Authority) and the Federal Transit Administration (FTA) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in complying with the reporting requirements of the National Transit Database (NTD), *Uniform System of Accounts (USOA)* and *Records and Reporting System; Final Rule*, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the *2020 Policy Manual*, for the year ended December 31, 2020. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below and in the attached appendix, either for the purpose for which this report has been requested or for any other purpose.

FTA has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form (FFA-10) of the Authority's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and

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signed by a supervisor, as required.

- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about Authority operations.

We have applied the procedures to the data contained in the accompanying FFA-10 form for the fiscal year ended December 31, 2020. Such procedures, which were agreed to and specified by FTA in the Declarations and Requests section of the 2020 Policy Manual and were agreed to by the Authority, were applied to assist you in evaluating whether the Authority complied with the standards described in the first paragraph of this part and that the information included in the NTD report Federal Funding Allocation Statistics form for the year ended December 31, 2020 is presented in conformity with the requirements of the *Uniform System of Accounts (USOA)* and *Records and Reporting System; Final Rule*, as specified in 49 CFR U.S.C. 5335(a), and as presented in the 2020 Policy Manual.

Additional procedures performed (if any), which are agreed to by the Authority but not by FTA, are described in a separate attachment to this report. The procedures were applied separately to each of the information systems used to develop the reported actual VRM, FG DRM, PMT, and OE of the Toledo Area Regional Transit Authority for the year ended December 31, 2020 for each of the following modes:

- Motor Bus - Directly Operated
- Demand Response - Directly Operated
- Demand Response - Purchased Transportation

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the standards established by the AICPA and the *Comptroller General of the United States' Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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, 2020. 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.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' Government Auditing Standards related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

February 24, 2022

APPENDIX

The procedures below were applied to each applicable mode and type of service (TOS) (directly operated (DO) and purchased transportation (PT)) as listed below. The procedures and the associated findings are as follows:

1. We obtained and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 Policy Manual. Written procedures are available for reporting and maintaining required data. We found no exceptions.
2. We inquired with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine the following:
 - The extent to which the Authority followed the procedures on a continuous basis. Sophie Giviyani, CFO, responded that the procedures were followed on the continuous basis. We found no exceptions.
 - That procedures identified above resulted in the accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 2020 Policy Manual. We observed the required reporting data was accumulated and available. We found no exceptions.
3. We obtained the retention policy that the Authority follows and agreed that source documents supporting NTD data reported on the Federal Funding Allocation Statistics form were included. NTD data is included in the Authority's retention policy. We found no exceptions.
4. Based on a description of the Authority's procedures from items (1) and (2) above, we identified all the source documents that the Authority must retain for a minimum of three years. For each type of source document, we selected three months (January, April, and October 2020) out of the year and inspected whether the document exists for each of these periods. We found that Management was unable to locate monthly reports from Trapeze, the Authority's transportation operating software. Management was also unable to locate major and minor repair reports.
5. We inquired whether separate individuals (independent of the individuals preparing source documents and posting data summaries) inspected the source documents and data summaries for completeness, accuracy, and reasonableness and how often the individuals perform such reviews. Individuals independent of the preparing and posting data summaries compared the source documents to the data summaries on a monthly basis. We found no exceptions.
6. We selected three source documents and inspected whether supervisors' signatures are present as required by the system of internal controls. Supervisors' signatures are not required; however, approval of source documentation is obtained through review as evidenced by someone independent of source documents entering data in the NTD report and review and approval of the NTD report and supporting documentation as indicated by the Chief Executive Officer's certification of the NTD Report.
7. We obtained the worksheets used to prepare the final data that the Authority transcribes onto the Federal Funding Allocation Statistics form. We agreed the periodic data included on the worksheets to the periodic summaries prepared by the Authority. We recalculated the arithmetical accuracy of the summaries. We found no exceptions.

8. We inquired of the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with Authority staff. We inspected the procedure and agreed it is one of the methods specifically approved in the 2020 Policy Manual. Per inquiry with Sophie Giviyan, CFO, and review of Client Procedures, we found that the Authority certified use of the NTD sampling method (approved by FTA in 1989) to provide passenger miles traveled (PMT), but it was stated that a different collection method was utilized. We have been unable to substantiate either method, as no one at the Authority is still present that were involved in the preparation of the 2020 report and no support has been obtained for PMT data.
9. We inquired of the Authority staff regarding the Authority's eligibility to conduct statistical sampling for PMT data every third year. We determined whether the Agency meets the NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Per inquiry with Sophie Giviyan, CFO, and review of Client Procedures, we found that the Authority certified use of the NTD sampling method (approved by FTA in 1989) to provide passenger miles traveled (PMT), but it was stated that a different collection method was utilized. We have been unable to substantiate either method, as no one at the Authority is still present that were involved in the preparation of the 2020 report and no support has been obtained for PMT data.
10. We obtained a description of the sampling procedure for estimation of PMT data used by the Authority. We obtained a copy of the Authority's working papers or methodology used to select the actual sample of runs for recording PMT data. Per inquiry with Sophie Giviyan, CFO, and review of Client Procedures, we found that the Authority certified use of the NTD sampling method (approved by FTA in 1989) to provide passenger miles traveled (PMT), but it was stated that a different collection method was utilized. We have been unable to substantiate either method, as no one at the Authority is still present that were involved in the preparation of the 2020 report and no support has been obtained for PMT data.
11. There were no source documents provide to support the accumulating PMT data and review the data for completeness (all required data was recorded) and recalculated the computations. Per inquiry with Sophie Giviyan, CFO, and review of Client Procedures, we found that the Authority certified use of the NTD sampling method (approved by FTA in 1989) to provide passenger miles traveled (PMT), but it was stated that a different collection method was utilized. We have been unable to substantiate either method, as no one at the Authority is still present that were involved in the preparation of the 2020 report and no support has been obtained for PMT data.
12. We inquired of Sophie Giviyan, CFO, the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with Authority staff. We found that no school or charter bus service is provided by the Authority, per inquiry noted above.
13. For actual vehicle revenue mile (VRM) data, we inquired and documented of the collection and recording methodology and documented that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
 - We documented the procedures used to subtract missed trips from schedules. We found that per discussion with management, VRM data is calculated from schedules during an assignment period. These schedules only include miles from a bus's first stop on its route to its last and, therefore, no deadhead miles are included in the calculation. Additionally, the Authority does not subtract missed trips from its VRM totals for the assignment period for other non-bus transportation. As such, no random sample of VRM calculations was tested.

- Actual VRMs are not calculated from hubodometers.
 - Actual VRMs are not calculated from vehicle logs.
14. We inspected the recording and accumulation sheets for four actual VRMs and agreed that locomotive miles are not included in the computation. We found no exceptions due to no locomotive miles existing.
15. For fixed guideway or High Intensity Busway directional route miles (FG or HIB DRM) reported, we inquired of the person responsible for maintaining and reporting NTD data and agreed that the operations met the FTA definition of fixed guideway (FG) or High Intensity Busway (HIB) in that the service is:
- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR); or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
 - Access is restricted;
 - Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway;
 - Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation; and
- Fixed guideway or High Intensity Busway directional route miles (FG or HIB DRM) were not reported due to the Authority disbanding the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment.
16. We inquired of the person reporting NTD data as to the measurement of FG and HIB DRM and inspected that she computed mileage in accordance with FTA definitions of FG/HIB and DRM. We inquired of any service changes during the year that resulted in an increase or decrease in DRMs. We found that the Authority disbanded the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment, although the DRM for the FG was reported as 1.0 on the Federal Funding Allocation Form.
17. We inquired of Sophie Giviyan, CFO, if any temporary interruptions in transit service occurred during the report year. No service interruptions in transit service occurred during 2020 due to the Authority disbanding the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment.
18. We recalculated measurements FG/HIB DRM. We found that the Authority disbanded the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment.
19. We inquired of Sophie Giviyan, CFO, whether other public transit agencies operate service over the same FG/HIB as the Authority. No other public transit agencies operate service over the same FG/HIB as the Authority. The Authority disbanded the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment.
20. We inquired of Sophie Giviyan, CFO, as to whether there were any new FG/HIB segments added in 2020. We found that Authority disbanded the Toledo loop in 2019 and has yet to replace it with a different FG/HIB segment.
21. We compared operating expenses with audited financial data after reconciling items are removed. We found no exceptions.

22. For purchased transportation services, we compared the PT fare revenues to the amount reported on the Contractual Relationship form. We found no exceptions.
23. We inquired of Sophie Giviyan, CFO, regarding PT service data and the required assurances. Required assurances were not obtained as the Authority does not have an Independent Auditor Statement for PT data. Authority generates the data from the PT services; thus, no assurance over third-party data exists.
24. We obtained a copy of the PT Contract and inspected for the following:
 - The contract specifies:
 - the public transportation services to be provided;
 - the monetary consideration obligated by the Authority or governmental unit contracting for the service; and
 - the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the Authority's NTD report).
 - The contract is signed by representatives of both parties to the contract.We inquired of Sophie Giviyan, CFO, and observed that copies of the contracts are retained for three years. We found no exceptions.
25. We inquired of Sophie Giviyan, CFO, if the Authority provides service to more than one UZA or between an UZA and a non-UZA. We found that the Authority did not provide these services during 2020, however, the FFA-10 DR PT and MB DO reports reflected more than one in error.
26. We compared the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculated the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased, we inquired of Authority management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period. We found no exceptions.

OHIO AUDITOR OF STATE KEITH FABER



TOLEDO AREA REGIONAL TRANSIT AUTHORITY

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/15/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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