





# OHIO AUDITOR OF STATE KEITH FABER



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  
Toledo, Ohio 43695

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 Toledo Area Regional Transit Authority, Lucas County, Ohio (the Authority) for the fiscal year ended December 31, 2021. Such procedures 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, 2021, were derived, follows the accounting system prescribed by the USOA. The same accounting system has been adopted and was used to compile this NTD report.

The Authority's management is responsible for conformance with the requirements described above.

The management of 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 assisting the Authority and FTA in determining conformance with USOA requirements based on the assertion above. 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 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, 2021:
  - 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 chart of accounts, general ledger, and trial balance (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 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 accounting system 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 accounting system 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 accounting system reflecting the uses of capital.
- f. The Authorities capital projects support multiple mode/types of services and 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 2019 NTD Policy Manual.
- g. Capital Projects involved Rehabilitation/Reconstruction/Replacement/Improvement for Existing Service and Expansion of Service. We inquired of management as to whether project costs were allocated between the two project purposes and whether such allocation was documented in the accounting system

**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 accounting system
- b. For the two largest modes/type of services, we traced and agreed object classes (natural expenses) from Form F-30 to the accounting system
- c. Management allocated shared operating expenses. We inquired of management as to whether (1) the operating expenses are split between direct and shared costs; (2) shared costs were allocated across modes, services types and functions, (3) the allocation was documented in the crosswalk or other supporting documentation; and (4) the driving variables used are updated annually.

**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 audited financial statements.

**Findings:**

*No exceptions were found as a result of this procedure.*

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, 2021. 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

September 28, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**TOLEDO AREA REGIONAL TRANSIT AUTHORITY  
NATIONAL TRANSIT DATABASE (NTD) FINANCIAL DATA 10 YEAR AGREED-UPON PROCEDURES**

**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 10/11/2022**

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

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