



November 18, 2024

Ms. Viola Miller
Utah Transit Authority
669 West 200 South
Salt Lake City, Utah 84101

Dear Ms. Miller:

This letter confirms the arrangements for Crowe LLP (“Crowe” or “us” or “we” or “our”) to provide the professional services discussed in this letter to Utah Transit Authority (“you”, “your”, “Authority” or “Client”).

Crowe will apply agreed-upon procedures over the Federal Funding Allocation Statistics (FFA-10) form for the year ended December 31, 2024 from information you provide. The intended purpose of the engagement is to assist the specified parties in evaluating Client’s compliance with the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993 for the use of Client and the Federal Transit Administration (FTA), pursuant to the *2024 Policy Manual*. Client is responsible for compliance with those requirements.

PROFESSIONAL SERVICES

Our Responsibilities

The agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We have no obligation to perform any procedures beyond those agreed to by you and FTA and have been acknowledged to be appropriate for your purposes. If we were to perform additional procedures, other matters might come to our attention that would be reported to you. It is understood that we will prepare a report reflecting our findings of the procedures for use by you and FTA. We make no representations as to the adequacy of these procedures for your or FTA’s purposes.

If you decide that additional procedures are needed, we will discuss those with you. It is customary for us to document such revisions by an addendum to this letter. If you wish to add specified users of the report, we will require that you provide, at the conclusion of the engagement, written representation that you have obtained the specified users’ agreement to the procedures and acknowledgement that the procedures performed are appropriate for their purposes.

The agreed-upon procedures do not contemplate obtaining the understanding of internal control or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an examination. Thus, this engagement does not provide assurance that we will become aware of significant matters that would be disclosed in an examination. Client agrees not to rely on our engagement to disclose errors, fraud or illegal acts that may exist. However, we will inform you of any significant errors that may come to our attention. Our engagement will not enable us to address legal or regulatory matters or abuses of management discretion, which matters should be discussed by you with your legal counsel. You are also responsible for the accuracy and completeness of the information provided to Crowe for purposes of this engagement and for timely updating such information. Because of the importance of such information to our engagement, you agree to waive any claim against Crowe and its personnel for any liability and costs relating to or arising from any inaccuracy or incompleteness of information provided to us for purposes of this engagement.

Our procedures and work product are intended for the benefit and use of you and FTA. This engagement will not be planned or conducted in contemplation of reliance by any other party or with respect to any

specific transaction and is not intended to benefit or influence any other party. Therefore, items of possible interest to a third party may not be specifically addressed or matters may exist that could be assessed differently by a third party. The working papers for this engagement are the property of Crowe and constitute confidential information.

If, for any reason, we are unable to complete the agreed-upon procedures, we will not issue a report as a result of this engagement.

Client's Responsibilities

The agreed upon procedures are listed in Attachment A. You agree to the procedures included in Attachment A and acknowledge that the procedures are appropriate for the intended purpose of the engagement.

In addition to your use, other specified parties including FTA, will be requested by you to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes.

You agree to provide a written representation letter at the conclusion of the engagement. Because of the importance of the written representations to this engagement, you agree to release Crowe and its personnel from any liability and costs relating to our services under this letter attributable to any misrepresentations by you, the engaging party.

The Client is responsible for providing to us, on a timely basis, all information of which you are aware that is relevant to this agreed-upon procedures engagement. The Client is also responsible for providing such other additional information we may request for the purpose of this engagement, and unrestricted access to persons within the Client from whom we determine it necessary to perform the agreed-upon procedures.

Other Matters

Our report is expected to be restricted to your use and the use of FTA.

Although the actual language of our report may change as a result of our procedures, we presently expect our independent accountant's report on the agreed-upon procedures to read as follows:

We have performed the attached procedures on the Federal Funding Allocation Statistics Form FFA-10 (FFA-10), related to the Authority's compliance with the Federal Transit Administration's (FTA) Declarations section of the *2024 Policy Manual* and the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, as of December 31, 2024. The Authority is responsible for its compliance with those requirements.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with the above specified requirements. Additionally, FTA has agreed to and acknowledged that the procedures are appropriate to meet their purposes. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. 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 this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures and reporting on findings based on the procedures performed.

The procedures and the associated findings will be inserted.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, compliance with the specified requirements. 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 other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and FTA and is not intended to be, and should not be, used by anyone other than these specified parties.

MISCELLANEOUS

For purposes of this Miscellaneous section, the Acceptance section below, and all of the Crowe Engagement Terms, "Client" will mean the entity(ies) defined in the first paragraph of this letter and will also include all related parents, subsidiaries, and affiliates of Client who may receive or claim reliance upon any Crowe deliverable.

Crowe will provide the services to Client under this Agreement as an independent contractor and not as Client's partner, agent, employee, or joint venturer under this Agreement. Neither Crowe nor Client will have any right, power or authority to bind the other party.

This engagement letter agreement (the "Agreement"), in combination with the Professional Services Agreement 20-03230 (PSA) reflects the entire agreement between the parties relating to the services (or any reports, deliverables or other work product) covered by this Agreement. The engagement letter, the Professional Services Agreement (PSA), and any attachments (including without limitation the attached Crowe Engagement Terms) are to be construed as a single document, with the provisions of each section applicable throughout. Notwithstanding any language to the contrary, the PSA terms and conditions take precedence over the terms and conditions contained in this Engagement Letter. This Agreement may not be amended or varied except by a written document signed by each party. No provision of this Agreement will be deemed waived, unless such waiver will be in writing and signed by the party against which the waiver is sought to be enforced. It replaces and supersedes any other proposals, correspondence, agreements and understandings, whether written or oral, relating to the services covered by this letter, and each party agrees that in entering this Agreement, it has not relied on any oral or written representations, statements or other information not contained in or incorporated into this Agreement. Any non-disclosure or other confidentiality agreement is replaced and superseded by this Agreement. Each party shall remain obligated to the other party under all provisions of this Agreement that expressly or by their nature extend beyond and survive the expiration or termination of this Agreement. If any provision (in whole or in part) of this Agreement is found unenforceable or invalid, this will not affect the remainder of the provision or any other provisions in this Agreement, all of which will continue in effect as if the stricken portion had not been included. This Agreement may be executed in two or more actual, scanned, emailed, or electronically copied counterparts, each and all of which together are one and the same instrument. Accurate transmitted copies (transmitted copies are reproduced documents that are sent via mail, delivery, scanning, email, photocopy, facsimile or other process) of the executed Agreement or signature pages only (whether handwritten or electronic signature), will be considered and accepted by each party as documents equivalent to original documents and will be deemed valid, binding and enforceable by and against all parties. This Agreement, including any dispute arising out of or related to this Agreement and the parties' relationship generally, will be governed and construed in accordance with the laws of the State of Utah applicable to agreements made and wholly performed in that state, without giving effect to its conflict of laws rules to the extent those rules would require applying another jurisdiction's laws.

* * * * *

We are pleased to have this opportunity to serve you, and we look forward to a continuing relationship. If the terms of this Agreement are acceptable to you, please sign below and return one copy of this letter at your earliest convenience. Please contact us with any questions or concerns.

(Signature Page Follows)

ACCEPTANCE

I have reviewed the arrangements outlined above and I accept on behalf of the Client the terms and conditions as stated. By signing below, I represent and warrant that I am authorized by Client to accept the terms and conditions as stated.

IN WITNESS WHEREOF, Client and Crowe have duly executed this Agreement effective the date first written above.

Utah Transit Authority

Crowe LLP

Signature

Bradley T Schelle

Signature

Printed Name

Bradley Schelle

Printed Name

Title

Partner

Title

Date

November 21, 2024

Date

DocuSigned by:
Michael Bell 12/9/2024
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Utah Assistant Attorney General

ATTACHMENT A – PROPOSED AGREED UPON PROCEDURES

The procedures below were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway (FG), directional route miles (DRM), passenger miles traveled (PMT), and operating expenses (OE) of the District for the fiscal year ending December 31, 2024 for each of the following modes:

- Motor Bus – Directly Operated (MBDO)
 - Commuter Bus – Directly Operated (CBDO)
 - Commuter Rail – Directly Operated (CRDO)
 - Light Rail – Directly Operated (LRDO)
 - Demand Response – Directly Operated (DRDO)
 - Demand Response – Purchased Transportation (DRPT)
 - Motor Bus – Purchased Transportation (MBPT)
 - Vanpool – Directly Operated (VPDO)
- a. Obtain 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 and as presented in the 2024 Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.
 - b. Discuss the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data over:
 - The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 dated January 15, 1993, and as presented in the 2024 Policy Manual.
 - c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.
 - d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, haphazardly select three months out of the year and observe whether the document exists for each of these periods.
 - e. Discuss the system of internal controls by inquiring whether separate individuals (independent of the individuals preparing source documents and posting data summaries) obtain the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews in order to perform procedure f.
 - f. Select a random sample of 3 source documents for each mode and observe whether supervisors' signatures are present. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.
 - g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Recalculate the arithmetical accuracy of the summaries.
 - h. Observe the procedure for accumulating and recording passenger miles traveled (PMT) data and inquire whether the procedure is one of the methods specifically approved in the 2024 Policy Manual.
 - i. Inquire with transit agency staff the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Observe whether the transit agency meets NTD criteria that allow transit

agencies to conduct statistical samples for accumulating PMT data every third year rather than annually by specifically observing the following:

- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, observe the NTD documentation for the most recent mandatory sampling year and observe that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Inquire how the transit agency estimated annual PMT for the current report year.
- j. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, observe that the universe of runs was the sampling frame. Observe that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, observe that a replacement sample run was random. Observe that the transit agency followed the stated sampling procedure.
- k. Select a random sample of three source documents for each mode for accumulating PMT data and determine that the data are complete by comparing the data in the accumulation periods to the total (all required data are recorded) and that the computations are accurate by recalculating. Select a random sample of three accumulation periods for each mode and re-compute the accumulations for each of the selected periods. Recalculate the arithmetical accuracy of the summary.
- l. Inquire with management regarding the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that they follow the stated procedures by selecting a random sample of three source documents for each mode used to record charter and school bus mileage and recalculate the arithmetical accuracy of the computations.
- m. For actual vehicle revenue mile (VRM) data, observe the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
- If actual VRMs are calculated from schedules, observe the procedures used to subtract missed trips. Select a random sample of three days that service is operated and re-compute the daily total of missed trips and missed VRMs. Recalculate the arithmetical accuracy of the summary.
 - If actual VRMs are calculated from hubodometers, observe the procedures used to calculate and subtract deadhead mileage. Select a random sample of three hubodometer readings and observe that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Recalculate the arithmetical accuracy of the summary of intermediate accumulations.
 - If actual VRMs are calculated from vehicle logs, select a random sample of three vehicle logs for each mode and observe that the deadhead mileage has been correctly computed in accordance with FTA definitions by recalculating deadhead mileage.
- n. For rail modes, observe the recording and accumulation sheets for actual VRMs and observe that locomotive miles are not included in the computation.

- o. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, inquire of the person responsible for maintaining and reporting the NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Bus (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 parallel adjacent highway, and
 - Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation
- p. Observe the measurement of FG and HIB DRM with the person reporting NTD data and inquire if he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and compare the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.
- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply to management:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.
- r. Recalculate FG/HIB DRM from maps or by retracing route.
- s. Inquire whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, observe that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. (Note: Each transit agency should report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.)
- t. Obtain the FG/HIB segments form. Inquire regarding the Agency Revenue Service Start Date for any segments added in the 2024 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Observe that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. (Note: If a segment was added for the 2024 report year, the Agency Revenue Service Date must occur within the transit agency's 2024 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.)
- u. Compare operating expenses in the FFA-10 with audited financial data after reconciling items are removed.

- v. If the transit agency purchases transportation services, inquire with the personnel reporting the NTD data regarding the amount of PT generated fare revenues. Observe the PT fare revenues equal the amount reported on the Contractual Relationship form.
- w. If the transit agency's report contains data for purchased transportation services and the procedures in this report were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Note as a negative finding if the purchased transportation services were not included in this report, and the transit agency also does not have a separate Independent Accountant's Statement for the purchased transportation data.
- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and observe that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Inquire of the person responsible for retention of the executed contract whether copies of the contracts are retained for three years.
- y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and observe the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and observe that the stated procedure is followed and that the computations are correct through recalculation.
- z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate 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. Inquire of transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.