

UTAH TRANSIT AUTHORITY

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2020

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Management
Utah Transit Authority
Salt Lake City, Utah

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form (FFA-10) for the Utah Transit Authority's (Authority or UTA) 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 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 vehicle revenue miles data, appear to be accurate.
- Data is consistent with prior reporting periods and other facts known about the Authority's operations.

We have applied the procedures, as described in Attachment A, to the data contained in the accompanying FFA-10 for the year ending December 31, 2020. Such procedures, which were agreed to and specified by FTA in the Declarations section of the *2020 Policy Manual* and were agreed to by management of the Authority, were applied to assist the Authority 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 FFA-10 for the year ending 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 Part 630, Federal Register, January 15, 1993 and as presented in the *2020 Policy Manual*. The Authority's management is responsible for the FFA-10 and compliance with NTD requirements. 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 enumerated below either for the purpose for which this report has been requested or for any other purpose.

(Continued)

The procedures in Attachment A 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 Authority for the year ending December 31, 2020 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)

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on conformity with the requirements of 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 and as presented in the *2020 Policy Manual*. 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 relates only to the information described above and does not extend to the Authority's financial statements taken as a whole, or the forms in the Authority's NTD report other than the FFA-10 form, for any date or period.

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


Crowe LLP

Indianapolis, Indiana
June 30, 2021

Attachment A

- 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, Federal Register, dated January 15, 1993, and as presented in the *2020 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Procedure performed without exception.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
 - 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, Federal Register, dated January 15, 1993, and as presented in the *2020 NTD Policy Manual*.

Procedure performed without exception.

- 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.

Per inquiry with the Authority NTD Staff (“Staff”), NTD source documentation is retained for a minimum of 3 years per the FTA requirements and is stored on local drives for longer. Procedure performed without exception.

- 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, select three months out of the year and determine whether the document exists for each of these periods.

We selected a haphazard sample of 15 source documents across all modes from three different months from 2017, 2018, and 2019. We observed that the source documents were maintained for each year as required. Procedure performed without exception.

- e. Discuss the system of internal controls. Inquire 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.

Per inquiry with Staff, in 2020 internal controls were maintained through email communication. Historically, the general managers for each department and mode were contacted to obtain approval of the periodic data and investigate and resolve discrepancies. In 2021, the Operations, Analysis & Solutions department (“OAS”) created and adopted a more robust system of controls which includes formal documented preparation, review, and approval of source documents. The OAS department performed a retrospective review of 2020 data to ensure its completeness, accuracy, and reasonableness.

- f. Select a sample of the source documents and determine whether supervisors’ signatures are present as required by the system of internal controls. If supervisors’ signatures are not required, inquire how personnel document supervisors’ reviews.

We selected a haphazard sample of 15 source documents across all modes and observed review of the data via email communication. Procedure performed without exception.

- 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.

Procedure performed without exception.

- h. Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2020 NTD Policy Manual*.

Per inquiry with Staff, the sampling method is in accordance with NTD requirements.

- i. Discuss with transit agency staff (the accountant may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine 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. Specifically:
- 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, obtain the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Determine how the transit agency estimated annual PMT for the current report year

Per inquiry with Staff, the Authority is not eligible to conduct statistical sampling for PMT data every third 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, determine that the universe of runs was the sampling frame. Determine 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, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

We obtained the sampling procedure and methodology for PMT data noting Automatic Passenger Counters (APC) are utilized for a 100% count of PMT for the Commuter Rail, Light Rail, Commuter Bus and MBPT modes. The MBDO mode uses a modified PMT measurement method that utilizes APC data to estimate PMT. 100% of PMT are counted for the Demand Response and Vanpool modes. Procedure performed without exception.

- k. Select a sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Recalculate the arithmetical accuracy of the summary.

We selected a haphazard sample of 48 source documents from March 2020, May 2020, and September 2020, and recalculated PMT. Procedure performed without exception, except for modes and accumulation periods noted below.

For CRDO, we recalculated PMT for March, May, and September 2020 with variances of 99, 59, and 78 miles, respectively. For LRDO, we recalculated PMT for March, May, and September 2020

with variances of 1,416, 920, and 26,946 miles, respectively. For MBDO, we recalculated PMT for May 2020 with a variance of 817 miles. For MBPT, we recalculated PMT for March, May, and September 2020 with variances of 9, 1,560, and 513 miles, respectively. For VPDO, we recalculated PMT for March 2020 with a variance of 458,095 miles. For DRPT, we performed a recalculation of March, May, and September 2020, however, trip-level data was not available to UTA for one of the purchased transportation contractors, and as such, we did not perform a recalculation of that data, but rather ensured mathematical accuracy of the summary to include in the recalculation of PMT for the mode.

- i. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and recalculate the arithmetical accuracy of the computations.

Per inquiry with Staff, the Authority does not operate charter, school bus, or other ineligible vehicles. As such, the procedure was not performed.

- m. For actual VRM data, document 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, document the procedures used to subtract missed trips. Select a random sample of the 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, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine 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 random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.

Per inquiry with Staff, with the exception of DRDO, DRPT, and VPDO, actual vehicle revenue miles are computed by subtracting deadhead mileage and missed trips from the scheduled trips. For DRDO and DRPT, actual vehicle revenue miles are calculated by subtracting the deadhead mileage from the miles on hubodometer readings. For VPDO, actual VRMs are calculated from vehicle logs and there are no deadhead miles since it is a non-dedicated service. Procedure performed without exception.

- n. For rail modes, observe the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Procedure performed without exception.

- o. If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet 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
 - i. Access is restricted;
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., Vanpools (VP), carpools) must demonstrate safe operation.

Per inquiry with Staff, the modes reporting FG or HIB DRM meet the FTA definitions as listed above. Procedure performed without exception.

- p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that 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 reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Per inquiry with Staff, the computation of FG and HIB DRM is in accordance with FTA definitions. Additionally, no service changes resulted in an increase or decrease in DRMs.

- 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:
- 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.

Per inquiry with Staff, there were temporary interruptions in service throughout the year resulting from maintenance or rehabilitation improvements of fixed guideway segments, however no change in reporting FG DRM was required as the interruption was less than 12 months.

- r. Measure FG/HIB DRM from maps or by retracing route.

Procedure performed without exception.

- s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine 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. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Per inquiry with Staff, the Authority operates modes of service over the same FG/HIB as other transit agencies. UTA is the approved operator for all their FG and UTA is reporting their actual VRM, PMT, and OE for their services. Step performed without exception.

- t. Observe the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2020 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine 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. If a segment was added for the 2020 report year, the Agency Revenue Service Date must occur within the transit agency's 2020 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.

We obtained the FG/HIB segments form. There were no new segments added during the reporting year 2020.

- u. Compare and agree Operating Expenses with audited financial data after reconciling items are removed.

Procedure performed without exception.

- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. Compare and agree the purchased transportation fare revenues to the amount reported on the Contractual Relationship form.

We inquired with Staff and agreed the purchased transportation fare revenues reported on the Contractual Relationship forms to the Authority's working papers. Procedure performed without exception.

- w. If the transit agency's report contains data for purchased transportation services and the procedures in this accountant's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report. Note as a negative finding if the purchased transportation services were not included in this accountant's review, and the transit agency also does not have an Independent Auditor Statement for the purchased transportation data.

The Authority's report contains data for PT services, therefore the IAS-FFA is not applicable.

- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine 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. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.

The Authority contracts with three vendors to operate Motor Bus and Demand Response modes. We obtained the executed contracts for each vendor and noted the inclusion of the required information listed above. Procedure performed without exception.

- 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 determine that the stated procedure is followed and that the computations are correct.

The Authority provides services in three UZAs and one non-UZA. Per inquiry with Staff, the Authority uses ArcGIS mapping to allocate statistics based on route mileage. Procedure performed without exception.

- 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. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

We compared the current year FFA-10 data to the prior year reported amounts and calculated the percentage change from the prior year to the current year. The following changes greater than +/- 10% were noted:

- **CBDO** – 27% decrease in VRM, 66% decrease in PMT, and 14% decrease in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation. Additionally, the Authority stopped servicing various off-peak-hours routes since the public wasn't riding the commuter buses.
 - **CRDO** – 25% decrease in VRM and 61% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership of the commuter rails, as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **DRDO** – 45% decrease in VRM, 60% decrease in PMT, and 25% decrease in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **DRPT** – 33% decrease in VRM and 53% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **LRDO** – 53% decrease in PMT and 16% increase in OE. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation. During this time when the public was not riding the light rail, the Authority took the opportunity to improve various lines and perform general maintenance, which contributed to the increase in OE.
 - **MBDO** – 14% decrease in VRM and 37% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
 - **MBPT** – 17% increase in VRM and 43% increase in OE. Per inquiry with Staff, the changes are attributable to more riders on buses operated by the PT contractors since the route frequency for CBDO and MBDO buses was reduced.
 - **VPDO** – 12% decrease in VRM and 26% decrease in PMT. Per inquiry with Staff, the changes are attributable to significantly lower ridership as a result of the COVID-19 pandemic, as many people were not riding public transportation.
- aa. The accountant should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The accountant may perform additional procedures, which are agreed to by the accountant and the transit agency, if desired. The accountant should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the accountant but not by FTA.

Procedure performed without exception.