



Washington State Auditor Troy Kelley

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

Clark Public Transportation Benefit Area (C-Tran)
P.O. Box 2529
Vancouver, WA 98668-2529

To the Board of Directors and Management of C-Tran:

We have performed the procedures specified in the Declaration section of the 2013 National Transit Database (NTD) Urban Reporting Manual and described in the attachment to this report, which were agreed to and specified by the Federal Transportation Authority (FTA) and were agreed to by the management of C-Tran. Such procedures were applied solely to assist the specified parties in evaluating the Transit's compliance with the standards described in the FTA Standards section of this report for the fiscal year ending December 31, 2013, and that the information included in the National Transit Database (NTD) report Federal Funding Allocation Statistics form (FFA-10) for the fiscal year ending December 31, 2013, 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 2013 Urban Reporting Manual. The Transit's management is responsible for compliance with these standards and for the records supporting its federal funding allocation data. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attachment to this report either for the purpose for which this report has been requested or for any other purpose.

We have applied the procedures to the data contained in the FFA-10 form for the fiscal year ending December 31, 2013. The procedures were applied separately to each of the information systems used to develop the reported vehicle revenue miles (VRM), fixed guideway directional miles (FG DRM), passenger miles traveled (PMT), and operating expenses (OE) of the Transit for the fiscal year ending December 31, 2013, for each of the following modes:

- *Motor Bus – Directly Operated*
- *Demand Response – Directly Operated*
- *Vanpool – Directly Operated*

FTA Standards

FTA has established the following standards with regard to the data reported in the FFA-10 form of the Transit's annual 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 VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

Procedure Results

Information and findings which came to our attention as a result of performing the procedures are described in Attachment 1 to this report:

We were not engaged to and did not conduct an examination, the objectives of which would be the expression of an opinion on compliance or on the effectiveness of the Transit's internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and Management of C-Tran and the FTA, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Tina Watkins, CPA, Program Manager
Washington State Auditor's Office

May 5, 2014

Attachment 1: Federal Funding Allocation Data Review Procedures and Results

Information and findings which came to our attention as a result of performing the agreed-upon procedures to each applicable mode and type of service (directly operated and purchased transportation) are as follows:

- a. We discussed the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, and January 15, 1993 and as presented in the 2013 Urban Reporting Manual.
- b. We discussed the procedures with the Finance Manager assigned responsibility of supervising the preparation and maintenance of NTD data and determined that:
 - The Transit followed the procedures on a continuous basis, and
 - The Transit believes such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, and January 15, 1993 and as presented in the 2013 Urban Reporting Manual.
- c. We inquired of the same personnel concerning the retention policy that is followed by the Transit with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics form (FFA-10).
- d. Based on a description of the Transit's procedures obtained in items a and b above, we identified all the source documents which are to be retained by the Transit for a minimum of three years. For each type of source document for motor bus, demand response and vanpool, we selected three months out of the year for 2013, 2012, and 2011 and determined the documents exist for each of these periods.
- e. We discussed the system of internal controls with the Finance Manager responsible for supervising and maintaining the NTD data. We inquired whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.
- f. We judgmentally selected a sample of the source documents and determined that supervisors' signatures are present as required by the system of internal controls and in some cases when supervisor's signatures were not required, we inquired about how the supervisors' reviews were documented.
- g. We obtained the worksheets utilized by the Transit to prepare the final data that are transcribed onto the Federal Funding Allocation Statistics form. We compared the periodic data included on the worksheets to the periodic summaries prepared by the Transit. We tested the arithmetical accuracy of the summarizations. No errors were noted.

- h. We discussed the Transit's procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with Transit staff. We inquired and found the procedure used is (1) a 100% count of actual PMT.
- i. We discussed with the Transit staff Finance Manager the Transit's eligibility to conduct statistical sampling for PMT data every third year. We determined the Transit does not meet one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year, thus the Transit must conduct a statistical sample annually. However, the Transit uses an automated system that performs a 100% count of actual PMT so no sampling is needed.
- j. As the Transit completes a 100% measurement of PMT data, we did not obtain a description, review its methodology, or perform sampling of PMT data.
- k. We judgmentally selected a random sample of the source documents for accumulating PMT data and determined that they are complete (all required data is recorded) and that the computations are accurate. We selected surveys by route and tested the accumulations of passenger miles traveled by re-computing them, on a daily basis, to ensure the automated system was performing the calculations accurately. We did not list accumulation periods because the system was automated and not calculating data on a monthly basis.
- l. The Transit does not provide services for charter, school bus or have other ineligible vehicle miles so we did not discuss the Transit's procedures or sample source documents.
- m. For actual vehicle revenue mile (VRM) data, we documented the collection and recording methodology and determined that deadhead miles are systematically excluded from the computation. As actual VRMs are calculated from schedules using an automated GPS system, we documented the procedures used to subtract missed trips. We tested routes to ensure VRM data was reasonable and had been adjusted for deadhead miles. No errors were noted.
- n. The Transit does not provide rail service so we did not review the recording and accumulation sheets for actual VRMs to ensure locomotive miles are not included in the computation.
- o. For fixed guideway directional route miles (FG DRM), we interviewed the Finance Manager responsible for maintaining and reporting the NTD data and determined the operations meet FTA's definition of fixed guideway (FG) in that the service is:
 - Bus (MB) service operating over exclusive or controlled access rights-of-way (ROW), 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 (see Fixed Guideway Segments form (S-20))
- p. We discussed the measurement of fixed guideway FG DRM with the Finance Manager reporting the NTD data and determined that the mileage is computed in accordance with

FTA's definitions of FG and DRM. We inquired whether there were service changes during the year that resulted in an increase or decrease in DRMs. As no service change resulted in a change in overall DRMs, we did not re-compute the average monthly DRMs or reconcile the total to the FG DRM reported on the FFA-10 form.

- q. We inquired the Finance Manager whether there were any service interruptions during the year. There were no service interruptions during the year.
- r. We measured FG-DRM from maps. No exceptions were noted.
- s. We discussed with the Finance Manager reporting the NTD data whether other public transit agencies operate service over the same FG as the Transit. There were no FG segments used by other transit agencies.
- t. We reviewed the S-20 form. We discussed with the Finance Manager reporting NTD data the Agency Revenue Service Start Date for any segments added in the 2013 report year. There were no new segments added in the report year.
- u. We compared the total operating expenses as reported on Form FFA-10, to total operating expense reported on the Transit's audited financial statements after removing reconciling items. No exceptions were noted.
- v. We interviewed the Finance Manager reporting the NTD data regarding the amount of PT generated fare revenues. As the Transit has no PT services, PT fare revenues and the Contractual Relationship form B-30 reported \$0.
- w. As the Transit has no PT services, an Independent Auditor Statement for Federal Funding Allocation Data (IAS-FFA) of the PT service is not required.
- x. As the Transit has no PT services, there are no PT contracts to which procedures were applied.
- y. We inquired of the Finance Manager responsible for maintaining the NTD data regarding the procedures for allocation of statistics between UZAs and non-UZA. We did not obtain and review the FG segment worksheets, route maps and urbanized area boundaries used for allocating the statistics, because we reviewed support that showed the Transit could allocate all data statistics to UZA because they do not receive section 5311 funding.
- z. We compared the data reported on the FFA-10 form to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. For actual PMT data that increased by more than 10%, we interviewed Transit management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.