

Report of Independent Certified Public
Accountants on Applying Agreed-Upon
Procedures for Federal Funding Allocation Data
(IAS-FFA)

**Broward County, Florida - Transportation
Department**

For the Year Ended September 30, 2017

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of the
Board of County Commissioners and Management
of the Transportation Department
Broward County, Florida

We have performed the procedures enumerated in Exhibit A (attached), with respect to the data contained in Broward County, Florida Transportation Department's ("BCTD") amended (Revision 2) submission dated March 2, 2018, of the National Transit Database (NTD) Federal Funding Allocation Statistics Forms (FFA-10 forms) for the year ended September 30, 2017. Such procedures, which the Federal Transit Administration ("FTA") included in the Declarations and Requests section of the 2017 NTD Policy Manual and were agreed to by management of BCTD, related to BCTD's compliance with the procedures specified by the FTA and whether the information included in the NTD FFA-10 forms for the year ended September 30, 2017 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, as amended and as presented in the 2017 NTD Policy Manual. BCTD's management is responsible for its compliance with those requirements. 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 Exhibit A, either for the purpose for which this report has been requested, or for any other purpose.

The FTA has established the following standards regarding the data reported to it in the Federal FFA-10 forms of the BCTD's annual 2017 NTD report:

- A system is in place and is 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 the 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 that 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.



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 compliance with 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.

This report is intended solely for the information and use of the Honorable Mayor and Members of the County Commission and management of Broward County, Florida and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

C Borders-Byrd, CPA LLC

Lauderhill, Florida
March 23, 2018

Attachment: Exhibit A - Federal Funding Allocation Data Review Procedures and Results



Federal Funding Allocation Data Review Procedures and Results

The procedures were applied separately to each of the information systems used to develop the reported actual Vehicle Revenue Miles (VRM), Passenger Miles Traveled (PMT) and Operating Expenditures (OE) of BCTD for the fiscal year ended September 30, 2017 for each of the following modes:

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

The procedures performed, and associated findings for each applicable mode and type of service (directly operated and purchased transportation) are as follows:

- a. We discussed procedures 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*, January 15, 1993, and as presented in the 2017 NTD Policy Manual, with BCTD personnel assigned responsibility of supervising the NTD data preparation and maintenance.
- b. Through discussion with BCTD personnel assigned the responsibility of supervising the preparation and maintenance of NTD data, we noted:
 - 1) BCTD represented to us that it followed the procedures on a continuous basis, and
 - 2) BCTD believes that such procedures result in the accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the 2017 NTD Policy Manual.
- c. We inquired of the personnel referred to in procedure b., above, concerning the retention policy that is followed by BCTD with respect to source documents supporting the annual NTD data, Total Modal Operating Expenses data (F-30), Actual Vehicle Revenue Miles and Passenger Miles Traveled (S-10), which will be used to report on the Federal Funding Allocation Statistics Forms (FFA-10). The personnel indicated that all source documents are retained for a minimum of three years.
- d. Based on the description of BCTD's procedures obtained in procedures a. and b. above, we identified key source documents, which are to be retained by BCTD for a minimum of three years. For each type of key source document, we selected three months (October 2016, February 2017 and August 2017) and observed that each type of key source document existed for each of those periods.

No exception was noted as a result of applying the procedure.

Federal Funding Allocation Data Review Procedures and Results

- e. We discussed the system of internal controls with BCTD personnel responsible for supervising and maintaining the NTD data. We inquired whether individuals, independent of the individuals preparing the source documents and posting the data summaries, reviewed the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews were performed. We obtained representation from management that documents are reviewed and signed by a supervisor, as required.
- f. We selected a sample of 171 source documents and determined that the supervisor's signatures were present as required by the system of internal controls.

No exception was noted as a result of applying the procedure.

- g. We reviewed the worksheets utilized by BCTD to prepare the final data, which was used to complete the FFA-10. We compared the periodic data included on the worksheets to the periodic summaries prepared by BCTD. We observed the arithmetical accuracy of the summarizations.

No exception was noted as a result of applying the procedure.

- h. We discussed BCTD's procedures for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with BCTD personnel. We were informed that Demand Response – Purchased Transportation utilizes a scheduling software to accumulate and record passenger miles traveled. We were informed that the statistical sampling procedures used is an estimate of passenger miles based on a statistical sampling method meeting FTA's 95 percent confidence and 10 percent precision requirements. For all modes of transportation that use an alternative sampling procedure, we reviewed the qualified statistician's written approval.

No exception was noted as a result of applying the procedure.

- i. We made inquiries of BCTD's personnel of BCTD's eligibility to conduct statistical sampling for passenger mile data every third year. BCTD's personnel confirmed that BCTD does not meet Federal requirements allowing it to sample passenger mile data every third year, as BCTD does not meet any one of the criteria which allow transit agencies to conduct statistical samples for accumulating passenger mile data every third year.
- j. For applicable modes, we inquired of the sampling procedures used by BCTD for the estimation of passenger miles traveled data. We obtained an understanding of the methodology used by BCTD to select the actual sample of runs for recording PMT data. We determined that the methodology to select specific runs from the universe resulted in a random selection of runs.

No exception was noted as a result of applying the procedure.



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- k. We selected a random sample of source documents used for accumulating PMT data and determined that they were complete (all required data was recorded) and that the computations were arithmetically accurate. We noted our sample of PMT data was properly included in BCTD's summarization of all samples taken of passenger mile data for the year. We observed the arithmetical accuracy of the summarization.

No exception was noted as a result of applying the procedure.

- l. We noted through discussion with BCTD personnel that they do not operate charter or school bus services and therefore, BCTD is not required to record charter and school bus mileage.
- m. For actual vehicle revenue mile (VRM) data, we documented the collection and recording methodology used and noted that deadhead miles are excluded from the computation.

No exception was noted as a result of applying the procedure.

- n. We inquired of BCTD personnel if there were any temporary interruptions in transit service during the report year. BCTD personnel represented that there were weather related temporary interruptions.
- o. BCTD is not considered, by Broward County, to be a separate financial reporting entity. The operations of BCTD are included in multiple Broward County funds. As a result, separate fiscal 2016/17 financial statements were not prepared for BCTD. Accordingly, audited financial data is not available for comparison with operating expenses as reported to the FTA.

We obtained BCTD's reconciliation of operating expenses reported on the demand response and motor bus (directly operated and purchased transportation) FFA-10 and F-30 forms. BCTD personnel represented that the reconciliation is an extract of BCTD's operations from the Broward County general ledger. We performed the following procedures:

- a) We agreed demand response operating expenses per the reconciliation to the non-fixed guideway operating expenses reported for the Federal Funding Allocation Statistics Form (FFA-10).
- b) We agreed motor bus (directly operated and purchased transportation) operating expenses per the reconciliation to the non-fixed guideway operating expenses reported for the Federal Funding Allocation Statistics Forms (FFA-10).

No exception was noted as a result of applying the procedures.

- p. We inquired of BCTD personnel regarding the amount of purchased transportation generated fare revenue. We agreed the Purchased Transportation fare revenue data provided by BCTD personnel to the amount on the contractual relationship forms (B-30), where applicable.

No exception was noted as a result of applying the procedure.



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- q. Purchased transportation services data were included in the scope of our testing. Thus, testing of the data for purchased transportation services is included in this engagement.
- r. We inquired of BCTD personnel responsible for purchased transportation contracts about purchased transportation contracts. We also inquired of BCTD personnel responsible for maintaining the NTD data regarding the retention of the executed contract, and were informed that a copy was retained for a minimum of three years. We noted the contract (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by the transit agency or governmental unit contracting for the service; (3) specifies the period covered by the contract and that this period overlaps the entire or a portion of, period covered by the transit agency's NTD report, and (4) is signed by representatives of both parties to the contract.

No exception was noted as a result of applying the procedure.

- s. We inquired of BCTD personnel responsible for maintaining the NTD data regarding the procedures for allocation of statistics between urbanized areas and nonurbanized areas. Management represented that BCTD operates in a single urbanized area.
- t. We compared the data reported for the Federal Funding Allocation Data (FFA-10 forms) to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. For actual vehicle revenue miles (VRM), passenger miles traveled (PMT), or operating expense (OE) data that have increased or decreased by more than 10%, we interviewed BCTD's management regarding specifics of operations that led to the increases or decreases in the data relative to the prior reporting period. We documented the specific procedures followed, documents reviewed, and tests performed in the work papers.

No exception was noted as a result of applying the procedure.