

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Members of the Board of Directors
San Francisco Bay Area Rapid Transit District
Oakland, California

We have performed the attached procedures on the Federal Funding Allocation Statistics Form FFA-10 (FFA-10), related to the District's compliance with the Federal Transit Administration's (FTA) Declarations section of the *2021 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 June 30, 2021. The District is responsible for its compliance with those requirements.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding 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 are in Attachment A.

We were engaged by the District 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 District 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 District and FTA and is not intended to be, and should not be, used by anyone other than these specified parties.


Crowe LLP

San Francisco, California
October 29, 2021

Attachment A

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 June 30, 2021 for each of the following modes:

- Heavy Rail – directly operated (HR DO)
- Monorail/Automated Guideway – directly operated (MG DO)
- Hybrid Rail – directly operated (YR DO)

- 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 *2021 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Findings: Procedure performed without exception.

- 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, Federal Register, dated January 15, 1993, and as presented in the *2021 Policy Manual*.

Findings: 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.

Findings: Procedure performed without exception.

- d. Based on a description of the transit agency's procedures from procedure a and procedure 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.

Findings: Procedure performed without exception.

- e. Discuss the system of internal controls by inquiring whether separate 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 these individuals perform such reviews in order to perform procedure f.

Findings: Procedure performed without exception.

- f. Select a random sample of three source documents for each mode and observe whether supervisors' signatures are present. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

Findings: Per inquiry with management, formal signature sign-off is not required. 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.

Findings: Procedure performed without exception.

- 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 *2021 Policy Manual*.

Findings: Procedure performed without exception.

- 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 (2017) and determine 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.

Findings: Procedure performed without exception. Per inquiry with management, the District 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, 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.

Findings: This procedure is not applicable based on the response to Procedure i, and therefore was not performed.

- k. Select a random sample of three source documents for accumulating PMT data for each mode 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.

Findings: Procedure performed without exception.

- 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.

Findings: Per discussion with management, the District does not provide charter, school bus, or other ineligible services, therefore this procedure is not applicable and was not performed.

- 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 and observe that the deadhead mileage has been correctly computed in accordance with FTA definitions by recalculating the deadhead mileage.

Findings: Procedure performed without exception.

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

Findings: Procedure performed without exception.

- 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.

Findings: Procedure performed without exception.

- 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.

Findings: Procedure performed without exception.

- 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 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.

Findings: Procedure performed without exception. Per inquiry with management, there were no service interruptions lasting more than 12 months.

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

Findings: Procedure performed without exception.

- 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.)

Findings: Procedure performed without exception.

- t. Obtain the FG/HIB segments form. Inquire regarding the Agency Revenue Service Start Date for any segments added in the 2021 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 2021 report year, the Agency Revenue Service Date must occur within the transit agency's 2021 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 seven-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.)

Findings: Procedure performed without exception.

- u. Compare operating expenses in the FFA-10 with audited financial data after reconciling items are removed.

Findings: Procedure performed without exception.

- v. If the transit agency purchases transportation services, inquire with the personnel reporting the NTD data regarding the amount of purchased transportation generated fare revenues. Observe the purchased transportation fare revenues equal the amount reported on the Contractual Relationship form.

Findings: Procedure performed without exception.

- 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 of 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.

Findings: Procedure performed without exception. Procedures were not applied to the District's DR PT mode. The transit agency providing the service has a separate IAS-FFA.

- x. If the transit agency purchases transportation services, obtain a copy of the purchased transportation 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.

Findings: 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 observe that the stated procedure is followed and that the computations are correct through recalculation.

Findings: 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, 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.

Findings: Procedure performed without exception.