



# DEPARTMENT OF AUDITS AND ACCOUNTS

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

Members of the State Board of Regents of the  
University System of Georgia;  
Mr. Jere W. Morehead, President  
University of Georgia  
And  
The Federal Transit Administration

We have performed the procedures enumerated below, on the University of Georgia's (Institution) application of the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA) for the fiscal year ended June 30, 2021. Such procedures, which were agreed to by the management of the Institution and the FTA, were performed to assist the Institution and FTA in determining conformance with USOA requirements based on the following assertion by the Institution's management:

The accounting system from which the NTD reports for the year ended June 30, 2021, were derived, uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA.

The Institution's management is responsible for conformance with the requirements described above and for the records supporting the NTD reports. 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 described below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and associated findings are as follows:

### **1. Procedure: NTD Crosswalk**

- a. Obtain the following NTD Reporting Forms prepared by management for the year ended June 30, 2021:
  - NTD Form F-10, Sources of Funds – Funds Expended and Funds Earned (USOA Section 2)
  - NTD Form F-20, Uses of Capital (USOA Section 3)
  - NTD Form F-30, Operating Expenses (USOA Section 4, 5, and 6 and Appendix A)
  - NTD Form F-40, Operating Expenses Summary
  - NTD Form F-60, Financial Statement

### **Findings:**

- NTD Form F-60 is not applicable to the Institution because Campus Transit is not an Independent Transit Authority and therefore, was not obtained.
- No exceptions were found as a result of applying the procedure.

- b. Obtain the reconciliation documentation management prepares (referred to as “the crosswalk” throughout this report) to reconcile the chart of accounts, general ledger, and/or trial balance and other supporting documents such as Excel spreadsheets (collectively referred to as the accounting system) to the respective NTD Reporting Forms identified above.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- c. Inquire of management as to whether the crosswalk obtained in procedure 1.b is supported by the accounting system.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- d. For a transit agency that is part of a larger reporting entity, inquire of management as to whether the crosswalk includes the full cost of providing transit service, including costs incurred by the larger reporting entity to specifically support the agency’s transit service.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- e. Inspect the crosswalk to determine that it incorporates NTD reporting using the applicable modes and types of service identified in the bulleted list below:
- Sources of Funds, Form F-10 – Funding sources, passenger fares by mode and service type, passenger fares by passenger paid or by Institution paid fares, revenue object class, and funds expended on operations and capital fund types
  - Uses of Capital, Form F-20 – Type of use, asset classifications, and modes and service types
  - Operating Expenses, Form F-30 – Modes, service types, object classes and functions
  - Financial Statement, Form F-60 – Current assets, non-current assets, deferred outflows of resources, current liabilities, non-current liabilities, and deferred inflows of resources

**Findings:**

- Financial Statement, Form F-60 is not applicable to the Institution because Campus Transit is not an Independent Transit Authority and therefore was not inspected.
- No exceptions were found as a result of applying the procedure.

## 2. Procedure: Accrual Accounting

- a. Obtain the most recent audited financial statements that include the transit agency and inspect the notes to the financial statements to determine whether the accrual basis of accounting was used.

### Findings:

- No exceptions were found as a result of applying the procedure.

- b. Inquire of management as to whether the accrual basis of accounting has continued to be used since the last audited reporting period and that it is used for NTD reporting in the current period.

### Findings:

- No exceptions were found as a result of applying the procedure.

- c. If the notes to the financial statements indicate that an accrual basis of accounting is not being used, or the results of the inquiry to management in procedure 2.b indicate the accrual basis of accounting is not being used in the current period, inspect the crosswalk to determine that the transit agency made adjustments to convert to an accrual basis for NTD reporting.

### Findings:

- The Institution uses the accrual basis of accounting; therefore, we did not perform this procedure.

## 3. Procedure: Sources of Funds (Form F-10)

- a. Trace and agree total sources of funds from Form F-10 to revenue reported in the accounting system using the crosswalk.

### Findings:

- No exceptions were found as a result of applying the procedure.

- b. Inspect the crosswalk for a written reconciliation between total revenues reported in the audited financial statements or the accounting system and the total revenues reported on Form F-10.

### Findings:

- No exceptions were found as a result of applying the procedure.

- c. Trace and agree the two largest directly generated fund passenger fare revenue modes (all service types) from Form F-10 to the accounting system.

### Findings:

- No exceptions were found as a result of applying the procedure.

- d. Trace and agree the largest revenue object class (other than passenger fares) in the following major categories of funds from Form F-10 to the accounting system: (1) Local Government; (2) State Government; (3) Federal Funds; and (4) Other Directly Generated Funds (i.e., 4100 and 4200 combined.)

**Findings:**

- No exceptions were found as a result of applying the procedure.
- e. Inspect the crosswalk to determine that it identifies, evaluates, and classifies financial transactions into categories of funds expended on operations and funds expended on capital (USOA Section 2) for the reporting year.

**Findings:**

- No exceptions were found as a result of applying the procedure.

**4. Procedure: Uses of Capital (Form F-20)**

- a. Obtain accounting system documentation on capital asset additions for the reporting period.

**Findings:**

- No exceptions were found as a result of applying the procedure.

- b. Trace and agree total uses of capital from Form F-20 to the crosswalk reconciliation of total capital asset additions.

**Findings:**

- No exceptions were found as a result of applying the procedure.

- c. Trace and agree types of use (existing service and expansion of service) from Form F-20 to the crosswalk or other supporting documentation reflecting the nature of the uses of capital.

**Findings:**

- No exceptions were found as a result of applying the procedure.

- d. Trace and agree asset classifications (guideway, revenue vehicles, etc.) from Form F-20 to the crosswalk or other documentation reflecting the assets classes of capital additions.

**Findings:**

- No exceptions were found as a result of applying the procedure.

- e. For the largest mode/service type, trace and agree the type of use classification and asset classification from Form F-20 to the crosswalk or other documentation reflecting the uses of capital.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- f. If capital projects support multiple modes/types of services or and/or asset classifications, inquire of management as to whether management reported the use of capital considering the predominant use rules as described in the “Predominant Use” section of the 2021 NTD Policy Manual.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- g. If capital projects involve: 1) Rehabilitation/Reconstruction/Replacement/Improvement for Existing Service; and 2) Expansion of Service; inquire of management as to whether project costs were allocated between the two project purposes and whether such allocation was documented in the crosswalk or other supporting documentation.

**Findings:**

- No exceptions were found as a result of applying the procedure.

**5. Procedure: Operating Expenses (Form F-30)**

- a. For the two largest modes/type of services, trace and agree functions (vehicle operations, vehicle maintenance, etc.) from Form F-30 to the crosswalk or other written documentation of function expenses.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- b. For the two largest modes/type of services, trace and agree object classes (natural expenses) from Form F-30 to the crosswalk or other written documentation of object class categories.

**Findings:**

- No exceptions were found as a result of applying the procedure.
- c. If management allocated shared operating expenses, inquire of management as to whether (1) the operating expenses are split between direct and shared costs; (2) shared costs were allocated across modes, services types and functions, (3) the allocation was documented in the crosswalk or other supporting documentation; and (4) the driving variables used are updated annually.

**Findings:**

- No exceptions were found as a result of applying the procedure.

**6. Procedure: Operating Expenses Summary (Form F-40)**

- a. Obtain total expenses from the accounting system for the reporting period. Trace and agree total expenses from Form F-40 to the accounting system using the crosswalk.

**Findings:**

- No exceptions were found as a result of applying the procedure.

- b. Trace and agree the reconciling items appearing on Form F-40 through the crosswalk to the accounting system.

**Findings:**

- No exceptions were found as a result of applying the procedure.

**7. Procedure: Financial Statement (Form F-60)**

- a. Trace and agree (1) Current Assets; (2) Non-Current Assets; (3) Deferred Outflows of Resources (4) Current Liabilities; (5) Non-Current Liabilities; and (6) Deferred Inflows of Resources appearing on Form F-60 to the crosswalk or other supporting documentation.

**Findings:**

- Financial Statement, Form-60 is not applicable to the Institution because Campus Transit is not an Independent Transit Authority, and therefore, the procedure was not performed.

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 the Institution's conformance with the requirements described above, for the year ended June 30, 2021. 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 University of Georgia, the University System Office of the Board of Regents of the University System of Georgia and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Greg S. Griffin  
State Auditor

October 25, 2021