

CITY OF SANTA FE
AGREED-UPON PROCEDURES
JUNE 30, 2018



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City of Santa Fe, New Mexico
City Council and Management
Santa Fe, New Mexico

We have performed the procedures enumerated below on the 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), by the City of Santa Fe (City) for the fiscal year ended June 30, 2018. Such procedures, which were agreed to by the management of the City and the FTA, were performed to assist the City and FTA in determining conformance with USOA requirements based on the following assertion by the City's management:

The accounting system from which the NTD reports for the year ended June 30, 2018 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 City's management is responsible for conformance with the requirements described above. 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. Obtained the following NTD Reporting Forms prepared by management for the year ended June 30, 2018:
 - 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
- b. Obtained the reconciliation documentation management prepared (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.
- c. Inquired of management as to whether the crosswalk obtained in procedure 1.b is supported by the accounting system.

1. Procedure: NTD Crosswalk (Continued)

- d. For a transit agency that is part of a larger reporting entity, inquired of management as to whether the crosswalk included the full cost of providing transit service, including costs incurred by the larger reporting entity to specifically support the agency's transit service.
- e. Inspected 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 organization 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
 - Operating Expenses Summary, Form F-40 - Expense reconciling items
 - 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:

No exceptions were found as a result of this procedure.

2. Procedure: Accrual Accounting

- a. Obtained the most recent audited financial statements that include the transit agency and inspected the notes to the financial statements to determine whether the accrual basis of accounting was used.
- b. Inquired of management as to whether the accrual basis of accounting has continued to be used since the last audited reporting period and that it was used for NTD reporting in the current period.
- c. If the notes to the financial statements indicated that an accrual basis of accounting is not being used, or the results of the inquiry to management in procedure 2.b indicated the accrual basis of accounting was not being used in the current period, inspected the crosswalk to determine that the transit agency made adjustments to convert to an accrual basis for NTD reporting.

Findings:

Step 2a. No exceptions were found as a result of this procedure.

Step 2b. The general ledger data utilized by the City for reporting purposes did not agree to the accrual-based audited financial statements. Differences noted by us are as follows:

2. Procedure: Accrual Accounting (Continued)

Business Unit	Account	Description	Per Audited Financial Statements	Per NTD Reporting	Difference	NTD Report : City Account Code
52401	502000	Annual Leave	39,931	81,390	(41,459)	F-30 DR-DO : Other Paid Absences (5014)
52401	502015	Miscellaneous Leave	399	2,389	(1,990)	F-30 DR-DO : Other Paid Absences (5014)
52401	502050	Comp-time	16,779	22,196	(5,417)	F-30 DR-DO : Other Salaries and Wages (5013)
52401	503100	FICA	25,799	29,538	(3,739)	F-30 DR-DO : Fringe Benefits (5015)
52402	502000	Annual Leave	196,219	334,025	(137,806)	F-30 MB-DO : Operators' Paid Absences (5012)
52402	502015	Miscellaneous Leave	8,878	20,553	(11,675)	F-30 MB-DO : Operators' Paid Absences (5012)
52402	502050	Comp-time	13,588	35,114	(21,526)	F-30 MB-DO : Operators' Salaries and Wages (5011)
52402	503100	FICA	158,077	171,159	(13,082)	F-30 MB-DO : Fringe Benefits (5015)
52403	502000	Annual Leave	64,385	121,724	(57,339)	F-30 MB-DO : Other Paid Absences (5014)
52403	502015	Miscellaneous Leave	1,351	2,869	(1,518)	F-30 MB-DO : Other Paid Absences (5014)
52403	502050	Comp-time	6,463	8,802	(2,339)	F-30 MB-DO : Other Salaries and Wages (5013)
52403	503100	FICA	46,907	51,589	(4,682)	F-30 MB-DO : Fringe Benefits (5015)
52414	502000	Annual Leave	18,364	31,436	(13,072)	F-30 MB-DO : Operators' Paid Absences (5012)
52414	502015	Miscellaneous Leave	1,321	2,726	(1,405)	F-30 MB-DO : Operators' Paid Absences (5012)
52414	502050	Comp-time	1,056	1,918	(862)	F-30 MB-DO : Other Salaries and Wages (5013)
52414	503100	FICA	15,812	16,986	(1,174)	F-30 MB-DO : Fringe Benefits (5015)
52421	502000	Annual Leave	55,967	93,265	(37,298)	F-30 DR-DO : Operators' Paid Absences (5012) / Other Paid Absences (5014)
52421	502015	Miscellaneous Leave	4,495	7,420	(2,925)	F-30 DR-DO : Operators' Paid Absences (5012) / Other Paid Absences (5014)
52421	502050	Comp-time	7,074	14,133	(7,059)	F-30 DR-DO : Operators' Salaries and Wages (5011) / Other Salaries and Wages (5013)
52421	503100	FICA	45,480	49,097	(3,617)	F-30 DR-DO : Fringe Benefits (5015)
					(369,981)	Total Difference

Step 2c. No exceptions were found as a result of this procedure.

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

- Traced and agreed total sources of funds from Form F-10 to revenue reported in the accounting system using the crosswalk.
- Inspected 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.
- Traced and agreed the two largest directly generated fund passenger fare revenue modes (all service types) from Form F-10 to the accounting system.
- Traced and agreed 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).
- Inspected the crosswalk to determine that it identified, evaluated, and classified 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 this procedure.

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

- a. Obtained accounting system documentation on capital asset additions for the reporting period.
- b. Traced and agreed total uses of capital from Form F-20 to the crosswalk reconciliation of total capital asset additions.
- c. Traced and agreed 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.
- d. Traced and agreed asset classifications (guideway, revenue vehicles, etc.) from Form F-20 to the crosswalk or other documentation reflecting the assets classes of capital additions.
- e. For the largest mode/service type, traced and agreed the type of use classification and asset classification from Form F-20 to the crosswalk or other documentation reflecting the uses of capital.
- f. If capital projects support multiple modes/types of services or and/or asset classifications, inquired 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 2018 NTD Policy Manual.
- g. If capital projects involve: 1) Rehabilitation/Reconstruction/Replacement/Improvement for Existing Service; and 2) Expansion of Service; inquired 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 this procedure.

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

- a. For the two largest modes/type of services, traced and agreed functions (vehicle operations, vehicle maintenance, etc.) from Form F-30 to the crosswalk or other written documentation of functional expenses.
- b. For the two largest modes/type of services, traced and agreed object classes (natural expenses) from Form F-30 to the crosswalk or other written documentation of object class categories.
- c. If management allocated shared operating expenses, inquired of management as to whether (1) the operating expenses were 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 this procedure.

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

- Obtained total expenses from the accounting system for the reporting period. Traced and agreed total expenses from Form F-40 to the accounting system using the crosswalk.
- Traced and agreed the reconciling items appearing on Form F-40 through the crosswalk to the accounting system.

Findings:

Step 6a. The general ledger data utilized by the City for reporting purposes did not agree to the accrual-based audited financial statements. Differences noted by us are as follows:

Business Unit	Account	Description	Per Audited Financial Statements	Per NTD Reporting	Difference	NTD Report : City Account Code
52401	502000	Annual Leave	39,931	81,390	(41,459)	F-30 DR-DO : Other Paid Absences (5014)
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52421	502050	Comp-time	7,074	14,133	(7,059)	F-30 DR-DO : Operators' Salaries and Wages (5011) / Other Salaries and Wages (5013)
52421	503100	FICA	45,480	49,097	(3,617)	F-30 DR-DO : Fringe Benefits (5015)
					(369,981)	Total Difference

Step 6b. No exceptions were found as a result of this procedure.

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

- Traced and agreed (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:

The Form F-60 was not required for the City.

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, the City's conformance with the requirements described above, for the year ended June 30, 2018. 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 management of the City of Santa Fe and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Albuquerque, New Mexico
May 31, 2019

