

Audit Guide Checklist

- ◇ All required cost allocation plans are identified by name (e.g., Urban/Nonurban Service, JARC Service, Charter Service, Rental Income, Outside Maintenance Service, Specialized Services) *[page 13 of the Audit Guide]*
- ◇ A statement that the above listed cost allocation plans were adhered to in the preparation of the financial statements *[page 13 of the Audit Guide]*
- ◇ A statement that the methodology used for compiling miles and other nonfinancial information used to allocate costs has been reviewed and the recording method has been found to be adequate and reliable *[pages 9 & 13 of the Audit Guide]*
- ◇ The required nonfinancial information is reported on the appropriate OAR (Schedule 4) *[pages 9 & 13 of the Audit Guide]*
- ◇ Grants are clearly identified (descriptive title, contract number, authorization number) on Schedule 2 - Federal and State Awards *[page 10 & page 17 for Sept 30 YE; or page 24 for YEs other than Sept 30]*
- ◇ Grants are clearly identified (descriptive title, contract number, authorization number) on Schedule 3 - Operating and Contract Expenses *[page 10 & page 19 for Sept 30 YE; or page 27 for YEs other than Sept 30]*
- ◇ A statement that depreciation expense included to be reimbursed with State Formula Funds only includes assets purchased with local funds where the useful life of the asset has been approved by OPT *[page 10 of the Audit Guide]*
- ◇ A statement that any capital money (e.g., Section 5307, Section 5311) used to pay for operating expenses are either subtracted out as ineligible or not included in total expenses to be reimbursed with State Formula Funds *[page 3, 18, & 25 of the Audit Guide]*
- ◇ A statement that expenses associated with 406xx and 407xx revenues are either: (1) subtracted out as ineligible and/or (2) do not need to be subtracted out as ineligible with an explanation as to why *[page 13 of the Audit Guide]*
- ◇ A statement that retirement expenses were: (1) calculated pursuant to the requisite methodology, and (2) *both* expensed on the books and actually paid (an out of pocket expense). For example:

Pension* costs incurred for the defined benefit retirement plan administered by MERS were calculated pursuant to the MERS GASB 68 Implementation Guide. The total pension expense recognized as calculated in STEP 6 of the guide is \$813,201. The entire amount of \$813,201 was expensed on the books and is reported in 50220 DB Pensions. The TA paid \$605,155, therefore, \$208,046 (\$813,201 less the amount paid) is subtracted out under 58020 Ineligible DB Pension.

*A similar OPEB assurance is required citing PTMS codes 50250 DB Other Post Employment Benefit and 58050 Ineligible DB Other Post Employment Benefit with language modified for accuracy.

MANDATORY SCHEDULES

- ◇ Schedule 1 - Local Revenues *[page 16 for Sept 30 YE; page 21 for YEs other than Sept 30]*
- ◇ Schedule 1A if the local year end is other than 9/30 *[page 22]*
- ◇ Schedule 2 - Federal and State Awards *[page 17 for Sept 30 YE; page 24 for YEs other than Sept 30]*
- ◇ Schedule 2A and 2B if the local year end is other than 9/30 *[page 26]*
- ◇ Schedule 3 - Operating and Contract Expenses *[page 19 for Sept 30 YE; page 27 for other YEs]*
- ◇ Schedule 3A and 3B if the local year end is other than 9/30 *[pages 28 & 29]*
- ◇ An OAR (Schedule 4) is present for each operating program in which the transit agency received funding *[pages 31 to 39]*
- ◇ Schedule 5 - Operating Assistance Calculation *[page 40]*
- ◇ Schedule 6 – Comments and Recommendations *[page 42]*