

# **REGIONAL TRANSPORTATION AUTHORITY**

CLOSE-OUT AUDIT OF CAPITAL GRANT  
TO SUBURBAN BUS DIVISION ("PACE")

CAPITAL GRANT SBD-123-00-B-01

JUNE 30, 2012

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**REGIONAL TRANSPORTATION AUTHORITY**

**CLOSE-OUT AUDIT OF CAPITAL GRANT TO SUBURBAN BUS  
DIVISION ("PACE")**

**CAPITAL GRANT SBD-123-00-B-01**

**JUNE 30, 2012**

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**INDEPENDENT AUDITORS' REPORT**

To the Chairman and Members of  
the Board of Directors of  
the Regional Transportation Authority

**Schedule of Grant Costs Claimed for Reimbursement**

We have audited a portion of the accompanying Schedule of Grant Costs Claimed for Reimbursement (the "Schedule") of the Regional Transportation Authority ("RTA") funded Capital Grant SBD-123-00-B-01 to the Suburban Bus Division of the Regional Transportation Authority ("PACE") as of June 30, 2012 and for the period from May 12, 2000 to June 30, 2012. This Schedule is the responsibility of PACE's management. Our responsibility is to express an opinion on a portion of this Schedule based on our audit for the defined scope period January 1, 2009 to June 30, 2012, as described in the Note to Schedule of Grant Costs Claimed for Reimbursement Capital Grant SBD-123-00-B-01.

We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by PACE's management, as well as evaluating the overall Schedule presentation. We believe our audit provides a reasonable basis for our opinion.

As described in the accompanying Summary of Compliance Requirements, this Schedule was prepared for the purpose of complying with Article X, Settlement and Close-out, of the SBD-123-00-B-01 Grant Agreement and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule of Grant Costs Claimed for Reimbursement of RTA Capital Grant SBD-123-00-B-01 referred to above presents fairly, in all material respects, the information set forth therein in accordance with the Grant Agreement described in the accompanying Note.

**Compliance with the Grant Agreement**

We have audited PACE's compliance with the types of compliance requirements set forth in the attached Summary of Compliance Requirements that are applicable to the SBD-123-00-B-01 Grant Agreement between PACE and the RTA, as directed by RTA, for the defined scope period of January 1, 2009 to June 30, 2012. Compliance with the requirements referred to above is the responsibility of PACE's management. Our responsibility is to express an opinion on PACE's compliance based on our audit.

Chairman and Members of  
the Board of Directors of  
the Regional Transportation Authority

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the attached Summary of Compliance Requirements as directed by the RTA. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on grant SBD-123-00-B-01. An audit includes examining, on a test basis, evidence about PACE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on PACE's compliance with those requirements.

In our opinion, PACE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on grant SBD-123-00-B-01 for the defined scope period January 1, 2009 to June 30, 2012.

### **Internal Control Over Compliance**

The management of PACE is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered PACE's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PACE's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the RTA's Management and Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.



Oak Brook, Illinois  
March 1, 2013

**REGIONAL TRANSPORTATION AUTHORITY**  
**SCHEDULE OF GRANT COSTS CLAIMED FOR REIMBURSEMENT**  
**CAPITAL GRANT SBD-123-00B-01**

For the period from May 12, 2000 to June 30, 2012

Project Element	Project Description	Budget	RTA Portion of Budget	Costs Claimed	RTA Portion of Questioned Costs
3007	Construct McHenry Count Garage	\$ 500,000	\$ 500,000	\$ 394,395	\$ -
3513	Computers/Databases/Comp. Systems	220,000	220,000	219,606	-
3514	Improvements To Garages/Faciliites	230,000	230,000	243,379	-
3518	Hodgkins/UPS Transfer Facilities	-	-	-	-
3524	Provide for Contingencies	71,675	71,675	-	-
3525	Provide for Project Administration	<u>30,000</u>	<u>30,000</u>	<u>160,000</u>	<u>-</u>
Total		<u>\$ 1,051,675</u>	<u>\$ 1,051,675</u>	<u>\$ 1,017,380</u>	<u>\$ -</u>
Costs Reimbursed as of June 30, 2012				<u>\$ 1,013,945</u>	
Costs Claimed for Reimbursement during audit scope period of January 1, 2009 through June 30, 2012				<u>\$ 213,950</u>	

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## NOTE TO SCHEDULE OF GRANT COSTS CLAIMED FOR REIMBURSEMENT

CAPITAL GRANT SBD-123-00B-01

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### NOTE 1 – SUMMARY OF GRANT COSTS CLAIMED

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Through a Grant Agreement dated May 12, 2000, most recently amended on December 5, 2000, the Regional Transportation Authority ("RTA") granted the Suburban Bus Division ("PACE") \$1,051,675 as its 100% local share for the capital improvement projects listed in the preceding Schedule of Grant Costs Claimed for Reimbursement. The Schedule of Grant Costs Claimed for Reimbursement includes the local share of amounts incurred for each project element and submitted to the RTA for reimbursement from project inception through June 30, 2012.

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### NOTE 2 – AUDIT SCOPE

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RTA has defined the audit scope period for SBD-123-00-B-01 to only include activity occurring between January 1, 2009 and June 30, 2012, which totaled \$213,950 through June 30, 2012. The last requisition to the RTA from PACE prior to June 30, 2012 was dated June 25, 2012. According to the PACE, the following projects are open as of June 30, 2012 and have the following status.

<u>Capital Grant</u>	<u>Project Element</u>	<u>Project Completion Date*</u>
SBD-123-00B-01	3007	March 2014

\*Date that the project element within this specific grant is expected to close.



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## SUMMARY OF COMPLIANCE REQUIREMENTS

### CAPITAL GRANT SBD-123-00-B-01

The following sections are the governing compliance requirements, as applicable to the grant close out audit, with respect to Capital Grant SBD-123-00-B-01 from May 12, 2000 through June 30, 2012:

#### **General Terms and Conditions**

Article II	- The Grantee's Commitment
Article III	- Capital Grant
Article IV	- Method of Funding
Article V	- Accomplishment of the Project(s)
Article VI	- Local Share Provisions
Article VII	- Project Administration and Management
Article VIII	- Requisition, Payment Procedures, and Record Keeping
Article X	- Settlement and Close-out
Article XI	- Procurement
Article XII	- Settlement of Third Party Contract Disputes or Breaches
Article XXII	- Amendment

#### **Program Management Guidelines (May 29, 1990 and as amended March 21, 2002)**

- I. Project Reporting
- II. Procurement Review
- V. Use of Force Accounts

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