

# **REGIONAL TRANSPORTATION AUTHORITY**

CAPITAL GRANT CRD-048-00-9D

JUNE 30, 2010

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Baker Tilly Virchow Krause, LLP  
1301 W 22nd St, Ste 400  
Oak Brook, IL 60523-3389  
tel 630 990 3131  
fax 630 990 0039  
bakertilly.com

## 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 the accompanying Schedule of Grant Costs Claimed for Reimbursement ("Schedule") of Regional Transportation Authority ("RTA") funded Capital Grant CRD-048-00-9D to the Commuter Rail Division of the Regional Transportation Authority ("Metra") as of June 30, 2010 and for the period from June 5, 2000 to June 30, 2010. This Schedule is the responsibility of Metra's management. Our responsibility is to express an opinion on this Schedule based on our audit.

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 Metra'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 Note, this Schedule was prepared for the purpose of complying with Article X, Settlement and Close-out, of the CRD-048-00-9D 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 CRD-048-00-9D 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 Metra's compliance with the types of compliance requirements set forth in the attached Summary of Compliance Requirements that are applicable to the CRD-048-00-9D Grant Agreement between Metra and the RTA, as directed by RTA, for the grant period of June 5, 2000 to June 30, 2010. Compliance with the requirements referred to above is the responsibility of Metra's management. Our responsibility is to express an opinion on Metra'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 CRD-048-00-9D. An audit includes examining, on a test basis, evidence about Metra'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 Metra's compliance with those requirements.

In our opinion, Metra complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on grant CRD-048-00-9D for the grant period June 5, 2000 to June 30, 2010.

### **Internal Control Over Compliance**

The management of Metra 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 Metra'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 Metra'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 significant deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. 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.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
September 6, 2011

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**SCHEDULE OF GRANT COSTS CLAIMED FOR REIMBURSEMENT  
CAPITAL GRANT CRD-048-00-9D**

For the period from June 5, 2000 to June 30, 2010

| Project Element  | Project Description             | Budget            | RTA Portion of Budget | Costs Claimed    | RTA Portion of Questioned Costs |
|------------------|---------------------------------|-------------------|-----------------------|------------------|---------------------------------|
| 3201             | Locomotive Rehab #136-147 --MET | \$ 249,775        | \$ 49,955             | \$ 49,955        | \$ -                            |
| Total            |                                 | <u>\$ 249,775</u> | <u>\$ 49,955</u>      | <u>\$ 49,955</u> | <u>\$ -</u>                     |
| Costs Reimbursed |                                 |                   |                       | <u>\$ 49,955</u> |                                 |

See accompanying note to this schedule.

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### **NOTE TO SCHEDULE OF GRANT COSTS CLAIMED FOR REIMBURSEMENT CAPITAL GRANT CRD-048-00-9D**

Through a Grant Agreement dated June 5, 2000, the Regional Transportation Authority ("RTA") granted the Commuter Rail Division of the Regional Transportation Authority ("Metra") \$49,955 as its 20% 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 amounts incurred for the project elements through June 30, 2010 and submitted to the RTA for reimbursement. The last requisition to the RTA from Metra prior to July 1, 2010 was dated October 31, 2002. According to Metra, all project elements in this grant are closed and no additional amounts will be submitted to the RTA for reimbursement.



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## SUMMARY OF COMPLIANCE REQUIREMENTS CAPITAL GRANT CRD-048-00-9D

The following sections are the governing compliance requirements, as applicable to the grant close out audit with respect to Capital Grant CRD-048-00-9D from June 5, 2000 through June 30, 2010:

### 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 (November 19, 1998)

- I. Project Reporting
- II. Procurement Review
- III. Contract Change Orders

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