



Greyhound Lines, Inc.

Florida Department of Transportation - U.S. Department of Transportation Formula Grants for Rural Areas Program

Program-Specific Audit in Accordance with Uniform
Guidance
For the 52-Week Period Ended December 31, 2022

Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Program-Specific Audit in Accordance with Uniform Guidance
For the 52-Week Period Ended December 31, 2022

Greyhound Lines, Inc.
Florida Department of Transportation -
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Formula Grants for Rural Areas Program

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Part I - Financial



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Independent Auditor's Report

Board of Directors
Greyhound Lines, Inc.
Dallas, Texas

Report on the Audit of the Schedule of Expenditures of Federal Awards

Opinion

We have audited the schedule of expenditures of federal awards for the Florida Department of Transportation - U.S. Department of Transportation Formula Grants for Rural Areas Program (Program) of Greyhound Lines, Inc. (the Company) for the 52-week period ended December 31, 2022, and the related notes (the schedule).

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards for Program of the Company for the 52-week period ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2023, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Company's internal control over financial reporting and compliance.

BDO USA, LLP

Dallas, Texas
June 29, 2023

Greyhound Lines, Inc.
Florida Department of Transportation-
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Schedule of Expenditures of Federal Awards
For the 52-week Period Ended December 31, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Numbers	Federal Award Identification Number (FAIN)	Pass through entity identifying number	Provided To Subrecipients	Total Federal Expenditures
FEDERAL AWARDS:					
U.S. Department of Transportation					
Pass-through Program from Florida					
Department of Transportation					
Formula Grants for Rural Areas Program	20.509	416625-1-84-02	G1T78	- \$	476,148
Formula Grants for Rural Areas Program	20.509	416625-1-84-02	G2186	- \$	3,752,997
Capital Subsidy					
Formula Grants for Rural Areas Program	20.509	1001	G1K14	-	330,782
American Rescue Plan Act - Covid 19					
Formula Grants for Rural Areas Program	20.509	FL-2023-019-00	G2A90	- \$	4,343,644
<hr/>					
Total Expenditures of Florida					
Department of Transportation Non-urbanized Area Formula Program				\$ - \$	8,903,571

The accompanying notes are an integral part of this schedule.

Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Notes to Schedule of Expenditures of Federal Awards
For the 52-week Period Ended December 31, 2022

1. General

Greyhound Lines, Inc. (the Company) is a wholly-owned subsidiary of FlixBus. Effective October 21, 2021, FlixBus, the parent company of FlixBus USA, acquired Greyhound Lines from FirstGroup PLC. The Company participates in a program sponsored by Florida Department of Transportation as listed in the accompanying Schedule of Expenditures of Federal Awards. This program is subject to audit by the Florida Department of Transportation, and they have the authority to determine allowability of costs charged to the program and limit or suspend the Company's participation in future programs.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the grant activity of the Company under the pass-through program from Florida Department of Transportation for the 52-week period ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to and does not present the financial position, equity, or cash flows of the Company.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented on an accrual basis of accounting consistent with the basis of accounting used by Greyhound Lines, Inc. in the preparation of its financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allocable or are limited as to reimbursement.

4. Indirect Cost Rate

The Company has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Part II - Internal Controls and Compliance Report



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Independent Auditor's Report on Compliance for a Federal Program and Report on Internal Control Over Compliance When Using the Program-Specific Audit Option to Satisfy Uniform Guidance Requirements

Board of Directors
Greyhound Lines, Inc.
Dallas, Texas

Report on Compliance

Opinion on Compliance for Florida Department of Transportation - U.S. Department of Transportation (DOT) Formula Grants for Rural Areas Program

We have audited Greyhound Lines, Inc.'s (the Company) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its Florida Department of Transportation - U.S. Department of Transportation (DOT) Formula Grants for Rural Areas Program (Program) for the 52-week period ended December 31, 2022.

In our opinion, the Company complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its Program for the 52-week period ended December 31, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Company's compliance with the types of compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Company's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the types of compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Company's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Company's compliance with the types of compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

Dallas, Texas
June 29, 2023

Part III - Schedule of Findings and Questioned Costs

Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Schedule of Findings and Questioned Costs
For the 52-week Period Ended December 31, 2022

Section I - Summary of Auditor's Results

Schedule of Expenditures of Federal Awards

• Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified? None Reported

Noncompliance material to financial statement noted? No

Federal Awards

Internal control over Florida Department of Transportation
 Department - U.S. Department of Transportation (DOT)
 Formula Grants for Rural Areas Program

- Material weakness identified? No
- Significant deficiency identified? None Reported

Type of auditor's report issued on compliance for Florida
 Department of Transportation - U.S. DOT Formula Grants for Rural
 Areas Program Unmodified

Any audit findings disclosed that are required to be reported in
 accordance with 2 CFR 200.516(a): No

Identification of specific program:

Federal Assistance Listing Numbers

Name of Federal Program

20.509

U.S. Department of Transportation-
 Formula Grants for Rural Areas
 Program

Dollar threshold used to distinguish between type A and type B
 programs: Not applicable *

Auditee qualified as low-risk auditee? Not applicable *

* Program-specific audit option under Uniform Guidance; therefore,
 these items are not applicable.

Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Schedule of Findings and Questioned Costs (Continued)
For the 52-Week Period Ended December 31, 2022

Section II - Schedule of Expenditures of Federal Awards Findings

There were no findings related to the Schedule of Expenditures of Federal Awards which is required to be reported for the 52-week period ended December 31, 2022.

Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program

Schedule of Findings and Questioned Costs (Continued)
For the 52-Week Period Ended December 31, 2022

Section III - Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards that were required to be reported in accordance with 2 CFR 200.516(a), for the 52-week period ended December 31, 2022.

**Greyhound Lines, Inc.
Florida Department of Transportation -
U.S. Department of Transportation
Formula Grants for Rural Areas Program**

**Schedule of Findings and Questioned Costs (Continued)
For the 52-Week Period Ended December 31, 2022**

Section IV - Summary of Prior Audit Findings and Questioned Costs

There were no prior year findings required to be reported or updated for the 52 weeks ended December 31, 2022.