

# **METRO TRANSIT SYSTEM**

ACCOUNTANT'S REPORT

NATIONAL TRANSIT DATABASE REPORT  
OF THE FEDERAL TRANSIT ADMINISTRATION

December 31, 2018

**MADISON METRO TRANSIT SYSTEM**

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December 31, 2018

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

To The Transit and Parking Commission  
Metro Transit System  
Madison, Wisconsin

The Federal Transit Administration (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form (FFA-10) of the Metro Transit System's (Metro) annual National Transit Database (NTD) report for the year ended December 31, 2018:

- > A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- > A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- > Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- > A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- > The data collection methods are those suggested by the FTA or meet FTA requirements.
- > The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles data, appear to be accurate.
- > Data are consistent with prior reporting periods and other facts known about Metro operations.

We have applied the procedures outlined in Attachment A to the data contained in the FFA-10 form for the year ending December 31, 2018. Such procedures, which were agreed to and specified by the FTA in the Declarations section of the 2018 Policy Manual and were agreed to by Metro, were applied to assist Metro's management and the specified users in evaluating whether Metro complied with the standards described in the first paragraph of this part and that the information included in the NTD report Federal Funding Allocation Statistics form for the year ending December 31, 2018 is presented in conformity with the requirements of the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2018 Policy Manual.

Management of Metro is responsible for the data contained in the FFA-10 and compliance with NTD requirements for the year ended December 31, 2018. The sufficiency of the procedures in Attachment A is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment A, either for the purpose for which this report has been requested or for any other purpose. This report is intended solely for your information and for the FTA and should not be used by those who did not participate in determining the procedures.

The procedures were applied separately to each of Metro's information systems used to develop the reported actual vehicle revenue miles, fixed guideway directional route miles, passenger miles, and operating expenses of Metro for the year ending December 31, 2018, for each of the following modes:

Motor Buses Directly Operated (MB DO)

Demand Response Directly Operated (DR DO)

Demand Response Purchased Transportation (DR PT)

No exceptions were noted as a result of applying the agreed-upon procedures listed in Attachment A, however, procedures l, n, s, t, w, and y were determined by management to not be applicable to Metro.

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 is an expression of an opinion or conclusion, respectively, on the compliance with the procedures in Attachment A. 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 relates only to the information described above and does not extend to Metro's financial statements, taken as a whole, or the other forms in Metro's NTD report, other than the FFA Statistics Form FFA-10, as defined in the first paragraph of this report, for the year ended December 31, 2018.

This report is intended solely for the information and use of Metro Management and the FTA and is not intended to be and should not be used by anyone other than these specified parties.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
June 25, 2019

**ATTACHMENT A**

# METRO TRANSIT SYSTEM

## ATTACHMENT A – AGREED UPON PROCEDURES AND RESULTS December 31, 2018

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The Federal Transit Administration (FTA) has specified and agreed to the following procedures related to the Federal Funding Allocation Statistics form (FFA-10). These procedures include steps that allow the independent accountant to obtain certain background information which is necessary to perform the remaining procedures.

In order to establish an understanding of the systems and documents in place and perform the agreed upon procedures we completed the following:

- A. Inquire about the procedures or obtain written policy for reporting and maintaining data in accordance with National Transit Database (NTD) requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the Policy Manual with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.
- B. Inquire about the procedures identified in item A to determine if the responsible personnel believe they are followed on a continuous basis and result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993 and as presented in the Policy Manual.
- C. Inquire with the responsible personnel about the retention policy that is followed for the source documents supporting NTD data reported on the FFA-10.

Procedures and Results:

- D. Identify the source documents used to support the NTD data reported on FFA-10 that must be retained for a minimum of three years. For each type, select three months out of the current year and determine whether the document exists for each of these periods.

Observed reports containing data used to accumulate data reported on FFA-10 to document existence of required documentation for three months of the current year. Baker Tilly Virchow Krause, LLP (Baker Tilly) selected various months of data throughout conducting the agreed upon procedures. All information was available and provided. No findings noted.

In order to establish an understanding of the systems and documents in place and perform the agreed upon procedures we completed the following:

- E. Inquire with responsible personnel the processes in place for an independent review of the source documents and data summaries for completeness, accuracy, and reasonableness and how often these reviews are performed.

Procedures and Results:

- F. Select a random sample of the source documents and view documentation of supervisors' review.

The general manager reviews monthly financial and ridership data and presents this to the Transit and Parking Committee (TPC). This is documented in the monthly committee meeting minutes. No findings noted.

# METRO TRANSIT SYSTEM

## ATTACHMENT A – AGREED UPON PROCEDURES AND RESULTS December 31, 2018

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### Procedures and Results: (cont.)

- G. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the FFA-10. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Recalculate the arithmetical accuracy of the summaries.

Obtained the annual summary spreadsheets for each mode used to prepare the annual report throughout our procedures. Tied annual totals for each mode to summarized monthly data and traced the annual data to the final FFA-10. No findings noted.

In order to establish an understanding of the systems and documents in place and perform the agreed upon procedures we completed the following:

- H. Inquire about the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquired if the procedure is one of the methods specifically approved in the 2018 Policy Manual.

### Procedures and Results:

- I. Inquire whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every three years.

Per the 2010 Census, Metro serves an UZA with a population less than 500,000. No findings noted.

- J. Obtain a description of the sampling procedures for estimation of PMT data used by Metro. Inquire as to the methodology used resulted in a random selection of runs. Inquire that Metro followed the stated sampling procedures within their policy.

MB DO: The last required year of sampling for Metro was 2017. Baker Tilly tested the estimation data during 2017 and noted no findings. This will be retested in 2020, the next required sampling year.

DR DO and DR PT: Metro does not estimate PMT data for these modes as they are based on vehicle logs. No findings noted.

- K. Select a random sample of the source documents for accumulating PMT data and observe that the data are complete and the computations are accurate. Select a random sample of the accumulation periods and recalculate the accumulations for each. Document the periods selected. Test the arithmetic accuracy of the summary.

MB DO: Metro performed sampling in 2017, the most recent required sampling year. No findings noted.

DR DO and DR PT: Baker Tilly selected 25 rides throughout the year and traced the PMT data from system generated reports to the background data used to accumulate the report data. No findings noted.

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## ATTACHMENT A – AGREED UPON PROCEDURES AND RESULTS December 31, 2018

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### Procedures and Results: (cont.)

- L. Obtain procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation.

Metro did not offer charter or school bus service or other ineligible service in 2018. Not applicable.

- M. For actual vehicle revenue mile (VRM) data calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of days that service is operated and recalculate the daily total of missed trips and missed VRMs. Observe that deadhead miles are systematically excluded from the computation. Test the arithmetical accuracy of the summary.

MB DO: The last required year of sampling for Metro was 2017. Baker Tilly tested the estimation data during 2017 and noted no findings. This will be retested in 2020, the next required sampling year.

DR DO and DR PT: Procedures for VRMs were consistent with procedures in step K. No findings noted.

- N. For rail modes, discuss the process of recording and accumulation of data sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Metro does not provide rail service. Not applicable.

In order to establish an understanding of the systems and documents in place and perform the agreed upon procedures we completed the following:

- O. For fixed guide way or High Intensity Bus directional route miles (FG or HIB DRM), inquire with the person responsible for maintaining and reporting NTD data as to whether the operations meet the FTA definition of FG or HIB.
- P. Discuss the measurement of FG and HIB DRM with the person reporting NTD data to identify that it is computed in accordance with FTA definitions. Inquire as to any changes in service during the year.
- Q. Inquire if any temporary interruptions in transit service occurred during the year.

### Procedures and Results:

- R. Measure FG/HIB DRM from maps or by retracing route.

Retraced FG/HIB routes, noting only one route. Consistent with prior year route. No findings noted.

- S. If other public transit agencies operate service over the same FG/HIB obtain documentation of coordination such that the DRMs are only reported once to the NTD.

No other public transit agencies operate in the same FG/HIB as Metro. Not applicable.



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## ATTACHMENT A – AGREED UPON PROCEDURES AND RESULTS December 31, 2018

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### Procedures and Results: (cont.)

- T. For any segments added to the FG/HIB form in the current year obtain the commencement date for service.

No new FG/HIB segments added. Not applicable.

- U. Compare operating expenses with audited financial data after reconciling items are removed. Report any discrepancies.

Operating expenses as reported in the NTD report were reconciled to the audited financial statements. Metro makes adjustments to operating expenses reported on the financial statements in order to comply with NTD guidelines for allowable operating expenses. These adjustments are consistent from year to year. No discrepancies noted.

- V. For any purchased transportation (PT) reconcile the fare revenues on the Contractual Relationship form to the audited data.

Obtained client prepared B-30 fare revenue reconciliation and agreed to the audited financial statements. No findings noted.

- W. If the report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the IAS-FFA regarding data for the PT service.

All PT data was available and provided by management. Procedure not applicable.

- X. For PT services, view copies of PT contracts noting a description of the services, the monetary consideration, and the period covered and approval (signature) by both parties.

Metro has four PT contracts for fiscal year 2018; therefore, Baker Tilly selected the contracts from the B-30 section submitted to NTD. Obtained a copy of the contract and observed inclusion of the required items. No findings noted.

- Y. If service is provided in more than one UZA or between an UZA and a non-UZA obtain and inspect the worksheets or other support for allocating statistics.

Metro does not operate in multiple UZA's or between an UZA and a non-UZA. Procedure not applicable.

- Z. Compare the data reported on the FFA-10 to data from the prior year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decrease by more than 10% or FG DRM data that have increased or decreased document the reasons for the change.

All data which increased or decreased by more than 10% were sufficiently explained by the Planning and Scheduling Manager. Explanations were consistent with other procedures performed. No findings noted.