



REPORT OF INDEPENDENT ACCOUNTANTS
ON APPLYING AGREED-UPON PROCEDURES

**CITY OF EL PASO, TEXAS
NATIONAL TRANSIT DATABASE
FEDERAL FUND ALLOCATION DATA**

August 31, 2019

Report of Independent Accountants on Applying Agreed-Upon Procedures

The Honorable Mayor, City Council and City Manager
El Paso, Texas

We have performed the procedures enumerated in the attached Schedule of Agreed-Upon Procedures (Schedule), which were agreed to by Federal Transportation Agency (FTA) and management of City of El Paso, Texas (the City), on the data contained in the Federal Funding Allocation Statistics Form (FFA-10) of the Transit Fund (an enterprise fund of the City) as of and for the year ended August 31, 2019. The Transit Fund's management is responsible for the content and accuracy of the FFA-10 as of and for the year ended August 31, 2019. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated in the Schedule either for the purpose for which this report has been requested or for any other purpose.

The procedures listed in the Schedule were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway directional route miles (FG DRM), passenger miles traveled (PMT), and operating expenses (OE) of the Transit Fund as of and for the year ended August 31, 2019 for each of the following modes:

- Directly Operated – Service Rail
- Directly Operated – Bus
- Purchased Transportation – Demand Response

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 would be the expression of an opinion on the Federal Funding Allocation Statistics Form as of and for the year ended August 31, 2019. 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 is intended solely for the information and use of members of the City Council, the Honorable Mayor Dee Margo, FTA, and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
April 7, 2020

Schedule of Agreed-Upon Procedures Federal Funding Allocation Data As of and for the Year Ended August 31, 2019

- a. Obtain and read a copy of written procedures related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2019 *NTD Policy Manual*. If procedures are not written, inquire about the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance and report on their responses.

Response: Based on inquiries of transit personnel, we noted that no written procedures exist related to reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2019 *NTD Policy Manual*. However, through inquiries of transit personnel responsible for coordinating the NTD preparation and maintenance, we noted that those responsible for reporting to NTD represent that they are aware of the requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2019 *NTD Policy Manual*. Those involved in reporting to NTD participate in an annual meeting and training in which a copy of the *NTD Policy Manual* is reviewed for any updates or changes.

- b. Inquire about the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data and report their response regarding:
- The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2019 *NTD Policy Manual*.

Response: We performed inquiries with the transit personnel assigned responsibility of supervising the preparation and maintenance of NTD data and noted:

- The transit agency stated they followed the procedures on a continuous basis, and
- They believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2019 *NTD Policy Manual*.

- c. Inquire of the same personnel, from item “b” above, concerning the retention policy that is followed by the transit agency with respect to source documents supporting the NTD data reported on the FFA-10, for Total Modal Operating Expenses data (F-30, line 15, column e), Actual Vehicle Revenue Mile and Passenger Miles Traveled (S-10, lines 12 and 20, column d) and report their response as to the retention policy followed.

Response: We inquired of the same personnel from item “b” above concerning the retention policy that is followed by the City with respect to source documents supporting the NTD data reported on the FFA-10 for Total Modal Operating Expenses data, Actual Vehicle Revenue Miles and Passenger Miles Traveled, noting that the source documents are maintained for at least the three-year requirement.

- d. Based on a description of the transit agency's procedures obtained in items “a” and “b” above, identify all the source documents which are to be retained by the transit agency for a minimum of three years. For each type of source document, randomly select three months out of the year and determine whether the document exists for each of these periods.

Response: Based on a description of the City's procedures obtained in items “a” and “b” above, we identified all the source documents which are to be retained by the City for a minimum of three years. For each type of source document required, we obtained the City's records for October 2015, February 2016, and June 2016 for the Motor Bus (MB) and Demand Response (DR/DT) modes and determined that the documents existed. This procedure is not applicable to the Service Rail (SR) mode of transportation as the mode was a new mode during fiscal year 2019.

- e. Inquire with the person responsible for supervising and maintaining the NTD data whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed, and report their response.

Response: We performed inquiries with the persons responsible for supervising and maintaining the NTD data. We inquired and noted individuals independent of the individuals preparing source documents and posting data summaries, reviewed the source documents and data summaries for completeness, accuracy and reasonableness on a monthly basis.

- f. Select a random sample of three source document packets and report whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire and report how the supervisors' reviews are documented.

Response: We selected a random sample of three source document packets for the DR mode for October 2018, March 2019, and May 2019 and determined supervisors' signatures are present as required by the system of internal controls. For the MB and SR modes, there is not a direct supervisor to review. The finance department at Sun Metro reviews the submitted information prior to preparing the submissions of the NTD reports. We noted evidence of review via an email from the finance department indicating submission to the NTD.

- g. Obtain the worksheets utilized by the transit agency to prepare the final data that are transcribed 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 summarizations.

Response: We obtained the worksheets utilized by the City to prepare the final data that are transcribed on the FFA-10. We compared the periodic data included on the worksheets to the periodic summaries prepared by the City, noting agreement, without exception. We recalculated the arithmetical accuracy of the summarizations, noting no differences.

- h. Inquire of the transit agency's procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire and report whether the procedure used is (1) one of the two procedures suggested by FTA and described in FTA Circulars 2710.1A or 2710.2A; (2) a 100% count of actual PMT; (3) an alternative sampling procedure (if the transit agency uses an alternative sampling procedure, inquire whether the procedure has been approved by FTA or whether a qualified statistician has determined that the procedure meets FTA's statistical requirements. Note as a negative finding in the report use of an alternative sampling procedure that has not been approved in writing by a qualified statistician); (4) the NTD Sampling Method.

Response: We performed inquiries with transit agency staff surrounding the City's procedure for accumulating and recording PMT.

We noted that the following methods are used for the various modes of transportation:

- MB – An alternative sampling method is used, which meets the FTA requirements of 95% confidence and + / - 10% precision. This was supported by written evidence from a qualified statistician. This method is therefore one of the acceptable methods listed above.
- DR/DT – A 100% count of actual PMT is the method used, which is one of the acceptable methods listed above.

Exception: There was no procedure in place for accumulating and reporting PMT for Service Rail (SR) during fiscal 2019. Transit did not prepare or submit a waiver request to NTD as a first-year reporter.

Management Response: The City acknowledges this exception. We have requested a waiver from FTA-NTD since this was the first year of SR operations, and this request is under review. We have contracted with TAMU-TTI to develop a recommended, compliant methodology for reporting for fiscal 2020. In the meantime, we are using the same survey methodology on SR that is utilized for FR. This will ensure the City has reported information for fiscal 2020 and, depending on TTI's recommended tracking methodology, we will provide the required PMT data.

i. Inquire of transit agency staff the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:

- According to the 2010 Census, the public transit agency serves an urbanized area (UZA) of less than 500,000 population.
- The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
- The service is purchased from a seller operating fewer than 100 revenue vehicles in VOMS, and is included in the transit agency's NTD report.

For transit agencies that meet one of the above criteria, obtain the NTD documentation for the most recent mandatory sampling year (2017) and note if statistical sampling was conducted and if the required 95% confidence and +10% precision was used. Inquire of transit agency personnel and report about how the transit agency estimated annual PMT for the current report year.

Response: Based on our inquiry with transit staff, the City conducts statistical sampling every year for the MB and DR modes; therefore, this step is not applicable for these modes.

Exception: The City did not accumulate or report PMT data related to the SR mode. Therefore, we could not complete this step for this mode.

Management Response: The City acknowledges this exception. We have requested a waiver from FTA-NTD since this was the first year of SR operations, and this request is under review. We have contracted with TAMU-TTI to develop a recommended, compliant methodology for reporting for fiscal 2020. In the meantime, we are using the same survey methodology on SR that is utilized for FR. This will ensure the City has reported information for fiscal 2020 and, depending on TTI's recommended tracking methodology, we will provide the required PMT data.

j. Inquire of transit agency personnel about the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the average trip length was used, inquire of transit agency personnel and report whether the universe of runs was used as the sampling frame and that the methodology to select specific runs from the universe resulted in a random selection of runs. If a selected sample run was missed, determine that a replacement sample run was randomly selected. Note if the transit agency followed the stated sampling procedure.

Response: We inquired and obtained a description of the sampling procedure for estimation of PMT data used by the City. We obtained a copy of the City's working papers used to select the actual sample of runs for recording PMT data. Transit utilizes Actual Passenger Counts (APC) rather than average trip length to estimate PMT data for the MB and DR modes. The City followed the stated sampling procedure for these modes.

Exception: The City did not estimate PMT data related to the SR mode. Therefore, we could not complete this step for this mode.

Management Response: The City acknowledges this exception. We have requested a waiver from FTA-NTD since this was the first year of SR operations, and this request is under review. We have contracted with TAMU-TTI to develop a recommended, compliant methodology for reporting for fiscal 2020. In the meantime, we are using the same survey methodology on SR that is utilized for FR. This will ensure the City has reported information for fiscal 2020 and, depending on TTI's recommended tracking methodology, we will provide the required PMT data.

- k. Randomly select three source documents for accumulating PMT data and note if the data used to accumulate the PMT data is complete. Randomly select three of the accumulation periods and recalculate the mathematical accuracy of the accumulations for each of the selected periods. List the accumulation periods that were recalculated.

Response: We made a random selection of three source documents for accumulating PMT data for the months of October 2018, March 2019 and May 2019 and noted the source documents were complete. We randomly selected three of the accumulation periods and re-calculated the mathematical accuracy of the accumulations for each of the selected periods. The accumulation periods selected for DR were October 18, 2018, March 2, 2019, and May 17, 2019. The accumulation periods selected for the MB mode of transportation were October 5, 2018, March 15, 2019 and May 16, 2019. For DT, as passenger mileage is provided by the cab companies, there is no true accumulation period/source documents, other than what the cab companies provide. We selected three months, October 2018, March 2019, and May 2019 and tied out total miles reported for that month.

Exception: The City did not accumulate or report PMT data related to the SR mode. Therefore, we could not complete this step for this mode.

Management Response: The City acknowledges this exception. We have requested a waiver from FTA-NTD since this was the first year of SR operations, and this request is under review. We have contracted with TAMU-TTI to develop a recommended, compliant methodology for reporting for fiscal 2020. In the meantime, we are using the same survey methodology on SR that is utilized for FR. This will ensure the City has reported information for fiscal 2020 and, depending on TTI's recommended tracking methodology, we will provide the required PMT data.

- l. Inquire of transit agency personnel about the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles and note the personnel's response. Randomly select three source documents used to record charter and school bus mileage and recalculate the arithmetical accuracy of the computations.

Response: Based on our inquiry with transit agency staff, the City does not have charter, school bus, or other ineligible vehicle miles. Therefore, a method for excluding such activity is not applicable.

m. For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, inquire of transit agency personnel about the procedures used to subtract missed trips and note their response. Randomly select five of the days that service is operated and recalculate the daily total of missed trips and missed VRMs.
- If actual VRMs are calculated from hubodometers, inquire of transit agency personnel about the procedures used to calculate and subtract deadhead mileage and note their response. Randomly select five hubodometer readings and compare the transit agency's method of computing deadhead mileage to the methods allowed by FTA's definitions. Recalculate the arithmetical accuracy of the summarization of intermediate accumulations.
- If actual VRMs are calculated from vehicle logs, randomly select five of the vehicle logs and compare the transit agency's method of computing deadhead mileage to the methods allowed by FTA's definitions.

Response: For VRM data, we documented the collection and recording methodology and determined that deadhead miles are systematically excluded from the computation based on the following:

- VRM for the MB and SR modes of transportation is based on schedules. We inquired with Transit personnel and noted that all missed trips are included in Transit's data and subtracted in calculating VRM. For MB we randomly selected five routes from the months of October 2018, March 2019, and May 2019 and re-calculated the total of missed trips and missed VRMs, noting no exceptions. For SR we randomly selected the five months of October 2018, February 2019, March 2019, May 2019, and June 2019 and recalculated the total of missed trips and missed VRMs, noting no exceptions.
- VRM for the DR mode of transportation is based on hubodometers. We inquired with Transit personnel and noted the deadhead miles are included in the electronic readings and removed in calculating VRM. We randomly selected five days (10/18/18, 11/14/18, 3/2/19, 5/17/19, and 6/27/19) and compared Transit's method of computing deadhead mileage to the methods allowed by FTA's definitions, noting no exceptions.

n. For rail modes, obtain the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Response: For rail modes, we obtained the recording and accumulation sheets for actual VRM's and noted that Transit does not have locomotives. Therefore, an elimination method for locomotive miles is not applicable.

- o. If fixed guideway (FG) or high intensity bus (HIB) directional route miles are reported, inquire of the person responsible for maintaining and reporting the NTD data and report the personnel's response about whether the operations meet FTA's definition of FG or HIB in that the service is:
- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW), and
 - i. Access is restricted
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on parallel adjacent highway, and
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation (see Fixed Guideway Segments form (S-10))

Response: We inquired of the transit personnel responsible for maintaining and reporting FG directional route miles NTD data for operations and noted that they meet FTA's definition of FG and noted that FG segment as reported includes only the streetcar.

- p. Inquire of the person reporting about the measurement of fixed guideway and HIB directional route miles with the person reporting the NTD data and note whether the mileage is computed in accordance with FTA's definitions of FG, HIB and DRM. Inquire whether there were service changes during the year that resulted in an increase or decrease in directional route miles. If a service change resulted in a change in overall directional route miles, recalculate the average monthly directional route miles, and compare the total to the FG and HIB directional route miles reported on the FFA-10.

Response: We performed inquiries surrounding the measurement of the FG directional route miles with the individual reporting the NTD data and noted that the mileage is computed in accordance with FTA's definitions of FG and DRM. We inquired whether there were service changes during the year that resulted in an increase or decrease in directional route miles. Fiscal 2019 was the first year FG is applicable as the transit department took over the streetcar service from another agency. During the current year, there were no service changes. As such, there were no changes in overall FG directional route miles reported. The City does not deploy HIB.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), report if the following:
- Directional route miles for the segment(s) should be reported for the entire report year if the interruption is less than 12 months in duration. The months of operation on the S-10 should be reported as 12. The transit agency should have completed a form note describing the interruption.
 - If the improvements cause a service interruption on the FG/HIB directional route miles lasting more than 12 months, the transit agency should contact their validation analyst to discuss. FTA will make a determination on how the directional route miles should be reported.

Response: We inquired if any temporary interruptions in transit service occurred during the reporting year and were informed there were no interruptions lasting more than 12 months. There were a few small interruptions in service, and these lasted no more than a few days. As these were short interruptions, they do not change the amount of directional route miles being reported by the City. Additionally, all service interruptions are documented within the City's internal network at the time of lost service.

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

Response: We measured FG/HIB by tracing route distances using the City's official Streetcar maps. No exceptions were noted as a result of our procedures.

- s. Inquire with the person reporting the NTD data and report about whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, note that the transit agency coordinated with the other transit agency (or agencies) such that the directional route miles for the segment of FG/HIB are reported only once to the NTD on the FFA-10. Each transit agency should report the actual VRM, PMT and operating expense for the service operated over the same FG/HIB.

Response: We performed inquiries with transit personnel reporting the NTD data whether other public transit agencies operate service over the same FG as the City. The City does not coordinate with other transit agencies over the same FG.

- t. Obtain the P-40 forms. Inquire with the persons reporting the NTD data and report about the Agency Revenue Service Start Date for any segments added in the 2019 report year. This is the commencement date of revenue service for each FG/HIB segment. Compare the date reported to the date when the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 2019 report year, the Agency Revenue Service Date must occur within the transit agency's 2019 fiscal year. Segments are summarized by like characteristics. Note that for apportionment purposes under the State of Good Repair (5337) and Bus and Bus Facilities (5339) programs, the 7-year age requirement for fixed guideway/High Intensity Bus segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to NTD.

Response: We performed inquiries with transit personnel reporting the NTD data and we noted that the streetcar was added during fiscal 2019. The streetcar was transferred to the transit department during fiscal 2019, at which time the City began revenue service. The City's revenue service date for the streetcar was after the original date of revenue service for the streetcar. We reviewed the 2018 Form F-40 and noted no FG service being reported by the City.

- u. Compare operating expenses listed in the FFA-10 with audited financial data, after reconciling items are removed.

Response: We compared operating expenses listed in the FFA-10 with audited financial data, after reconciling items were removed, without exception.

- v. If the transit agency purchases transportation services, inquire with the personnel reporting the NTD data and report about the amount of purchased transportation (PT) generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form (B-30).

Response: We inquired of transit personnel reporting the NTD data regarding the amount of PT generated fare revenues. The purchased transportation fare revenues equaled the amount reported on the B-30.

- w. If the transit agency's report contains data for PT services and assurances of the data for those services is not included, obtain a copy of the Independent Auditor Statement for Federal Funding Allocation (IAS-FFA) data of the PT service. Attach a copy of the statement to the report. Note as an exception if the transit agency does not have an Independent Auditor Statement for the PT data.

Response: The City maintains control of the scheduling process which provides the data for PT. As such, the Independent Auditor Statement for IAS-FFA data of the PT service is not applicable.

- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and note if the contract (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by the transit agency or governmental unit contracting for the service; (3) specifies the period covered by the contract and that this period overlaps the entire or a portion of, the period covered by the transit agency's NTD report; and (4) is signed by representatives of both parties to the contract. Inquire of the person responsible for maintaining the NTD data and report regarding the retention of the executed contract, and note if copies of the contracts are retained for three years.

Response: We obtained a copy of the PT contract and noted that the contract (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by the transit agency or governmental unit contracting for the service; (3) specifies the period covered by the contract and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report; and (4) is signed by representatives of both parties to the contract. We inquired of the person responsible for maintaining the NTD data regarding the retention of the executed contracts, and obtained copies of the contracts and applicable amendments, noting that contracts and modifications are retained for at least three years.

- y. If the transit agency provides service in more than one UZA, or between a UZA and a non-UZA, inquire of the person responsible for maintaining the NTD data and report regarding the procedures for allocation of statistics between UZAs and non-UZAs. Obtain the FG segment worksheets, route maps and urbanized area boundaries used for allocating the statistics, and compare the transit agency's allocation methods to the methods allowed by FTA's definitions.

Response: The City does not provide service in more than one UZA. Therefore, this procedure is not applicable.

- z. Compare the data reported on the FFA-10 to comparable data for the prior report 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 decreased by more than 10%, or FG directional route miles data that have increased or decreased, inquire of transit agency management and note management's response regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Response: We compared the data reported on the FFA-10, Total Model Operating Expenses data, Actual Vehicle Revenue Mile and Passenger Miles Traveled to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. For actual VRM, PMT, or OE data that have increased or decreased by more than 10%, or FG directional route mile data that have increased or decreased, we interviewed transit personnel regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period noting their explanation that MB, vehicle revenue hours, and unlinked passenger trips decreased during fiscal 2019 due to a decline in ridership on a particular route, which resulted in a reduction in service.