



INDEPENDENT ACCOUNTANTS' REPORT

Management of the Maryland Department of Transportation
and the Maryland Transit Administration

We have performed the procedures enumerated below related to the Maryland Transit Administration's (MTA) compliance with the following Federal Transit Administration (FTA) standards with regard to the data reported to it in the National Transit Database (NTD) Federal Funding Allocation Statistics form during the period July 1, 2021, to June 30, 2022 and for the presentation of the information included in the NTD Federal Funding Allocation Statistics form for the fiscal year ended June 30, 2022 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, and as presented in the 2022 NTD Policy Manual:

- 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 FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

MTA's management is responsible for its compliance with those requirements:

MTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of applying procedures and reporting associated findings related to MTA's compliance 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 fiscal year ended June 30, 2022 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 and as presented in the 2022 NTD Policy Manual. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

The procedures were applied separately to each of the information systems used to develop the reported actual Vehicle Revenue Miles (VRM), Vehicle Revenue Hours (VRH), Fixed Guideway (FG), Passenger Miles Traveled (PMT), Unlinked Passenger Trip (UPT), and operating expense (OE) of MTA for the fiscal year ended June 30, 2022 for each of the following modes by type of service (TOS) (directly operated (DO) or purchased transportation (PT)):

- MB-DO (Motorbus Directly Operated)
- CR-PT (Commuter Rail-Purchased Transportation)
- CB-PT (Commuter Bus- Purchased Transportation)
- HR-DO (Heavy Rail Directly Operated)
- LR-DO (Light Rail Directly Operated)
- DR-PT (Demand Response Purchased Transportation)
- TX-PT (Demand Taxi Purchased Transportation)
- DR-DO (Demand Response Directly Operated)

The following information and findings (if applicable) came to our attention as a result of performing the procedures:

Procedure A: Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, , and as presented in the 2022 NTD Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Results of Procedure A: Procedure performed without exception. We obtained and read a copy of the written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register and as presented in the 2022 NTD Policy Manual.

Procedure B: Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:

- *The extent to which the transit agency followed the procedures on a continuous basis; and*
- *Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, and as presented in the 2022 NTD Policy Manual.*

Results of Procedure B: Procedure performed without exception. We met with management and noted that MTA followed the procedures for reporting and maintaining data in accordance with NTD requirements on a continuous basis and that the results of the data are consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, and as presented in the 2022 NTD Policy Manual.

Procedure C: *Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.*

Results of Procedure C: Procedure performed without exception. Per discussion with MTA management, their retention policy is five years.

Procedure D: *Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.*

Results of Procedure D: Procedure performed without exception. Per discussion with MTA management, the source documentation and related reports are mainly generated from the FMIS system (Accounting system). We performed an onsite visit and noted the MTA maintains source documents in physical boxes by year. We verified the source documentation existed for the following months of October 2021, January 2022 and May 2022.

Procedure E: *Discuss the system of internal controls. Inquire whether separate 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 these individuals perform such reviews.*

Results of Procedure E: Procedure performed without exception. Per discussion with MTA management, we noted the source documents and posting data summaries are prepared by the Manager of External Reporting and Policy Control and secondarily reviewed for completeness, accuracy, and reasonableness by the Chief Innovation Officer. These reviews are performed on a monthly and quarterly basis and the results are also considered in ongoing management decisions.

Procedure F: *Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.*

Results of Procedure F: Procedure performed without exception. We obtained and inspected the source document for the months of October 2021, January 2022 and May 2022 and noted there was no evidence of a supervisors' signature, which is not a requirement of MTA. However, refer to the results of procedure E for MTA's preparation/review process.

Procedure G: *Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.*

Results of Procedure G: Procedure performed without exception. As part of our Agreed Upon Procedures performed for the Federal Funding Allocation Statistic Forms for the year ended June 30, 2022, we obtained the crosswalk and related supporting documentation used to prepare the final data onto the form and tested the arithmetical accuracy of the summaries.

Procedure H: *Discuss the procedure for accumulating and recording Passenger Miles Traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 2022 NTD Policy Manual.*

Results of Procedure H: Per discussion with management, we noted MTA utilizes both FTA approved statistical sampling plans, specifically the 100% count of passenger miles traveled data and the minimum confidence of 95% sampling method; as well as an alternative statistical sampling technique to accumulate and record Passenger Miles Traveled (PMT). We noted the alternative statistical sampling technique utilized by MTA is reviewed by a statistician independently contracted by MTA and all plans are submitted to FTA on a 3 year and 10-year basis. Due to the COVID-19 pandemic, the 2020 triennial requirements were waived. The next mandatory year will be 2023.

Procedure I: *Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD 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 UZA with a population less than 500,000.*
- *The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).*
- *Service purchased from a seller is included in the transit agency's NTD report.*
- *For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2017) and determine that statistical sampling was conducted and meets the 95% confidence and $\pm 10\%$ precision requirements.*
- *Determine how the transit agency estimated annual PMT for the current report year.*

Results of Procedure I: Procedure performed without exception. Per discussion with Ross Turlington, Manager, External Reporting and Policy Control, MTA has determined that they do not meet the eligibility criteria to conduct statistical sampling for PMT data every third year and therefore, must conduct statistical sampling for PMT data annually.

Procedure J: *Obtain a description of 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 transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.*

Results of Procedure J: Procedure performed without exception. We obtained and inspected the description of the sampling procedure for estimation of PMT data used by MTA and a copy of the MTA's working papers and methodology used to select the actual sample of runs for recording PMT data. In conjunction with Procedure K below, we determined that the methodology used to select specific runs from the universe resulted in a random selection of runs and that the MTA followed its' sampling methodology.

Procedure K: *Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.*

Results of Procedure K: Procedure performed without exception. We haphazardly selected a sample of source documents used for accumulating PMT data for the months of October 2021, January 2022 and May 2022 and noted that they were complete (all required data was recorded) and that the computations were arithmetically accurate. We noted our sample of PMT data was properly included in MTA's summarization of all samples taken of passenger mile data for the year. We also tested the arithmetical accuracy of the summarization.

Procedure L: *Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual Vehicle Revenue Miles (VRM) with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.*

Results of Procedure L: Procedure not performed. Per discussion with MTA management, we noted MTA does not operate charter or school bus services.

Procedure M: *For actual 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, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.*
- *If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.*

- *If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.*

Results of Procedure M: Procedure performed with exception. We documented the collection and recording methodology used by MTA for actual vehicle revenue mile (VRM) data and noted their methodology includes the systematic exclusion of deadhead miles. We noted actual VRMs are calculated from MTA's schedules and therefore, documented the procedures used to subtract missed trips. We selected a random sample of days and recomputed the daily total of missed trips and missed VRMs. We also tested the arithmetical accuracy of the summarization. However, for commuter bus, light rail and heavy rail directly operated, we were unable to trace the calculation of vehicle revenue miles to source documentation. On March 22, 2023, a waiver was requested for the commuter bus, light rail and heavy rail because they were unable to collect and calculate the necessary data. VRM data was not provided for bus directly operated and commuter bus purchased transportation modes.

Procedure N: *For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.*

Results for Procedure N: Procedure performed without exception. For commuter rail purchased, we reviewed the recording and accumulation sheets for actual VRMs and observed that locomotive miles were not included in the computation. Waivers were provided for commuter bus, light rail and heavy rail because they were unable to collect and calculate the necessary data.

Procedure O: *If fixed guideway or High Intensity Busway Directional Route Miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Busway (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*
 - *Access is restricted;*
 - *Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway; and*
 - *Restricted access is enforced for freeways; priority lanes used by other HOV (i.e., Vanpools (VP), carpools) must demonstrate safe operation.*

Results of Procedure O: Procedure performed without exception. We inquired of MTA management and determined the MTA's operations meet FTA's definition of fixed guideway as the modes of services include rail and motorbus. Additionally, we noted motorbus service is operated over controlled access right-of-way and (1) access is restricted; (2) legitimate need for restricted access is demonstrated by peak period level of service or worse on parallel adjacent highway; and (3) restricted access is enforced.

Procedure P: Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that he or she computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Results of Procedure P: Procedure performed without exception. Per discussion with MTA management, there were no services changes were made in FY22 that resulted in any increases or decreases to DRM for any MTA modes.

Procedure 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), the following apply:

- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
- If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Results of Procedure Q: Procedure performed without exception. Per discussion with MTA management, there were no temporary interruptions in transit service that occurred during the 2022 report year.

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

Results of Procedure R: Procedure performed without exception. We measured fixed guideway directional route miles from maps and noted no exceptions.

Procedure S: Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency should report the actual VRM, PMT, and Operating Expense (OE) for the service operated over the same FG/HIB.

Results of Procedure S: Procedure performed without exception. Per discussion with MTA management, we noted there are no other public transit agencies in service over the same FG/HIB as MTA.

Procedure T: Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2022 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that 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 2022 NTD Policy Manual 2022 report year, the Agency Revenue Service Date must occur within the transit agency's 2022 fiscal year.

Results of Procedures T: Procedure performed without exception. Per discussion with MTA management, we noted there were no added segments to the Fixed Guideway Segment in the 2022 report year.

Procedure U: *Compare Operating Expenses with audited financial data after reconciling items are removed.*

Results of Procedure U: Procedure not performed. MTA is reported as a special revenue fund within the Maryland Department of Transportation's (MDOT) financial statements. MTA is not considered by the State of Maryland to be a separate financial reporting component unit. As a result, separate audited financial data is not prepared for MTA. However, as part of the MDOT financial statement audit for the fiscal year ended June 30, 2022, we did not identify any discrepancies between the MTA fund statements and the general ledger.

Procedure V: *If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of purchased transportation-generated fare revenues. The purchased transportation fare revenues should equal the amount reported on the Contractual Relationship form.*

Results of Procedure V: We were unable perform this procedure. Per discussion with MTA management, we were informed that the purchased transportation-generated fare revenues are retained by the respective contract service provider. We were unable to traced and agreed the purchased transportation fare revenue reported by the contract services providers to the amount reported on the Contractual Relationship form (B-30).

Procedure W: *If the transit agency's report contains data for purchased transportation services and the procedures in this auditor's review were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Attach a copy of the statement to the report.*

Results of Procedure W: Procedure not performed. As documented in Procedure V above, purchased transportation services data were included within the scope of our testing.

Procedure X: *If the transit agency purchases transportation services, obtain a copy of the purchased transportation contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; 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 is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract and determine that copies of the contracts are retained for three years.*

Results of Procedure X: Procedure performed without exception. We haphazardly selected three purchased transportation contracts and verified the contracts (1) specified the specific public transportation services to be provided; (2) specified the monetary consideration obligated by the transit agency or governmental unit contracting for the service; (3) specified 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) was signed by representatives of both parties to the contract.

We also inquired of MTA personnel responsible for maintaining the NTD data regarding the retention of the executed contract and were informed that a copy was retained for at least three years.

Procedure Y: *If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.*

Results of Procedure Y: Procedure performed without exception. Per discussion with management, we noted MTA provides service in two urbanized areas (UZAs), and that an allocation of statistics between urbanized areas is performed. We obtained and inspected the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determined that the procedures for allocation were followed and that the computations are correct.

Procedure Z: *Compare the data reported on the Federal Funding Allocation Statistics Form to data from 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 DRM data that have increased or decreased. Interview transit agency management regarding the specifics of 2022 NTD Policy Manual operations that led to the increases or decreases in the data relative to the prior reporting period.*


Results of Procedure Z: Procedure performed without exception. We performed a comparison of the data reported on the Federal Funding Allocation Statistics Form for the year ended June 30, 2022 to data from the prior report year and calculated the percentage change from the prior year to the current year noting a greater than 10% decrease for actual VRM, PMT and OE from the prior year.

In performing the procedures, except for the information and findings described above, the information included in the NTD report on the Federal Funding Allocation Statistics form for the fiscal year ended June 30, 2022 is presented fairly, in all material respects, with the requirements of the USOA and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, and as presented in the 2022 NTD Policy Manual.

We were engaged by Management of the Maryland Department of Transportation (MDOT) and the Maryland Transit Administration to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on MTA's compliance 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 fiscal year ended June 30, 2022 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 and as presented in the 2022 NTD Policy Manual. 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.

We are required to be independent of MTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



CliftonLarsonAllen LLP

Baltimore, Maryland
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