

County of Milwaukee

Independent Accountants' Report on
Applying Agreed-Upon Procedures
of the Milwaukee County Transit System
Specified by the Federal Transit Administration

December 31, 2024

Milwaukee County Transit System

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Supervisors
of the County of Milwaukee
and the Federal Transit Administration

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 (Total Operating Expense data on F-30, line 15, column e; Form S-10, lines 12, 15, 18, 20, column d; Total Actual Vehicle Revenue Mile, Total Actual Vehicle Revenue Hour, Total Unlinked Passenger Trip data and Passenger Mile Traveled data and Fixed Guideway, when applicable) of the Milwaukee County Transit System's (Agency) annual National Transit Database (NTD) Report:

1. A system is in place and maintained for recording data in accordance with NTD definitions. The correct data is being measured, and no systematic errors exist.
2. A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
3. Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following the FTA's receipt of the NTD report. The data is fully documented and securely stored.
4. 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.
5. The data collection methods are those suggested by the FTA or otherwise meet FTA requirements.
6. 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.
7. Data is consistent with prior reporting periods and other facts known about Milwaukee County Transit System's operations.

We have applied the procedures outlined in Attachment A to the data contained in the provided FFA-10 form for the year ending December 31, 2024. Agency management is responsible for the FFA-10 form. Such procedures, which were agreed to by management and specified by the FTA in the Declarations section of the *National Transit Database 2024 Policy Manual*, were applied to assist you in evaluating whether the Agency complied with the standards described in the first part of this report and that the information included in the NTD Federal Funding Allocation Statistics form for the fiscal year ended December 31, 2024 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 2024 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 were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles, fixed guideway directional route miles, passenger miles, and operating expenses of the Milwaukee County Transit System for the fiscal year ended December 31, 2024, for each of the following modes:

- Motor Bus - directly operated
- Vans - private carrier providing transit service under contract

We were engaged by the Milwaukee County Transit System to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance with the identified requirements for the National Transit Database (NTD) Report. 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 the Agency 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 the Board of Supervisors of the County of Milwaukee, the FTA and the Milwaukee County Transit System, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Milwaukee, Wisconsin
August 8, 2025

Attachment A

Agreed-Upon Procedures and Results

Milwaukee County Transit System

Attachment A - Agreed-Upon Procedures and Results
December 31, 2024

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.

The agreed-upon procedures outlined below were applied in relation to all services except as specifically stated.

- Motor Bus - directly operated
- Vans - private carrier providing transit service under contract

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 NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 5, 1993 and as presented in the Policy Manual with the personnel assigned responsibility for supervising the NTD data preparation and maintenance. According to Ms. Fran Musci, Director of Paratransit Services, the Agency has its own written procedures related to the system for reporting and maintaining paratransit (vans) data as documented in the *2024 NTD Policy Manual*.
- B. Inquire about the procedures identified in item A to determine if the personnel responsible 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. We were informed by Mr. Dan Pryba, Accounting Supervisor, that, to the best of his knowledge, the Agency has followed such procedures on a continuous basis and that the Agency's accumulation and reporting of data is consistent with the NTD definitions and requirements as set forth in 49 CFR Part 630 and as presented in the *2024 NTD Policy Manual*.
- C. Inquire with the personnel responsible about the retention policy that is followed for the source documents supporting NTD data reported on the FFA-10. Per Mr. Pryba, the documentation and source documents are retained by the Agency for the three years following the year in which the report is due to the FTA.

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 of source document, select three months out of the current year and determine whether the document exists for each of these periods.

Milwaukee County Transit System

Attachment A - Agreed-Upon Procedures and Results December 31, 2024

We identified the source documents that are to be retained by the Agency for a minimum of three years. For each of the required documents listed below, we reviewed the source documents for the months identified. We located and observed the following source documents supporting NTD data reported on Forms F-30 and S-10 for the year ended December 31, 2024, and noted the documents had been properly retained:

Motor Bus

- Vehicle statistics review (January 2024, March 2024, and November 2024)
- Scheduled Miles Report (January 2024, March 2024, and November 2024)
- Deviations to Scheduled Hours sheet (January 2024, March 2024, and November 2024)

Vans

- Demand Monthly Invoice Supporting Document (March 2024, July 2024, September 2024)
- Invoice/Billing Summary reports (March 2024, July 2024, September 2024)

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 regarding internal controls surrounding the NTD data collection and 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. We were informed that the source documents are independently reviewed on a weekly and monthly basis for motor bus data. According to Ms. Musci, the source documents for paratransit (vans) are reviewed monthly.

Procedures and Results:

- F. Select a random sample of the source documents in accordance with the Agency's NTD data collection internal control policy and view documentation of supervisors' review.

We selected a random sample of source documents to review for the controls referenced in procedure E, above. We verified that supervisors' signatures were present as required by the Agency's internal control structure. No findings noted.

- 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.

We obtained the worksheets utilized by the Agency to prepare the final data, which are transcribed onto the Federal Funding Allocation Statistics form. We compared the periodic data included on the worksheets to the Form F-10 and tested the arithmetical accuracy of the summarization. No findings noted.

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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. Inquire if the procedure is one of the methods specifically approved in the Policy Manual. Per Mr. Pryba, for the purposes of motor bus passenger reporting, the Agency uses an estimate of passenger miles based on statistical sampling. Per Ms. Musci, paratransit (vans) uses actual passenger miles based on data received from the contractors. All methods used in 2024 are outlined and approved by the FTA as meeting the Section 15 reporting requirements in Circular UMTA C2710.1A

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.

The Agency is not eligible and statistical sampling must be done annually.

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

Per discussion with Tom Winter, Director of the Service Department, the HASTUS sampling system by GIRO is used to generate the random sample selections of the trip data to be tested. These random selections are generated quarterly, listed by week, and the trip selections are assigned to the automatic passenger counter system (APC) for a specific day. The APC will record the run number, bus number, time of trip, number of passengers both boarding at stops and remaining on the bus in-between stops. This information is then processed in the Traffic Department.

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

We selected a random sample of source documents for accumulating motor bus passenger mile data and determined that they were complete (all required data was recorded) and that the computations were accurate. We reviewed the source documents for the months of February 2024, July 2024, and September 2024. We noted that the passenger mile data was complete, and no mathematical errors existed.

For the purposes of paratransit (vans) reporting, we selected a random sample of source documents for accumulating passenger mile data and determined they were complete (all required data was recorded) and that the computations were accurate. We reviewed the source documents for the months of March 2024, July 2024, and September 2024. We noted that the passenger and actual revenue mile data was complete, and no mathematical errors existed.

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

The Agency does not offer charter or school bus service or other ineligible service. 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 calculate 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.

The vehicle revenue mile data for motor bus is calculated using schedules. The missed trips and school trips are deducted via the deviation sheets. Deadhead miles are systematically excluded from the summarization. For the purpose of paratransit (vans) reporting, vehicle logs are used to compute vehicle revenue mile data. We selected a random sample of documents and verified that deadhead miles were not included in the calculation. 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.

The Agency 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 of 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 be retracing route.

No FG/HIB service. Not applicable.

- 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 FG/HIB service. Not applicable.

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

No FG/HIB service. Not applicable.

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

Operating Expense Reconciliation for Motor Bus

Operating expense per ledger	\$ 143,885,282
Operating cross-charges per MCDOT ledger	4,015,239
Recoveries of physical damage	356,975
Less: depreciation	(106,586)
Rounding	(1)
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Operating expense per Form F-30	\$ 148,150,909

Operating Expense Reconciliation for Paratransit (Vans)

Operating expense per ledger	\$ 20,624,286
Operating cross-charges per MCDOT ledger	698,413
Via adjustments	313,834
Less: depreciation	(1,199,013)
Less: Via depreciation	(15,692)
Rounding	1
	<hr/>
Operating expense per Form F-30	\$ 20,421,829

No findings noted.

- V. For any purchased transportation (PT) inquire with responsible personnel regarding the accumulation of the amount of PT fares generated. Reconcile the PT fare revenues to the amount reported on the Contractual Relationship form and note any variances.

The Agency contracts for transportation service and that purchased transportation fare revenues are retained by the contracted service providers. We obtained documentation of the retained fare revenue amount as reported by the contracted service provider and agreed this amount to retained fare revenues reported on Form B-30 by the Agency. 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.

The Agency contracts for transportation service with contractors that operated fewer than 100 vehicles for the Agency's contracted service at peak. The Agency purchases transportation from two contractors. We were provided with assurance statements received by the Agency from both contractors, which confirmed that they maintained internal information systems needed to comply with contractual requirements of collecting and maintaining passenger data. Copies of the assurance statements are attached to this report.

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- 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. Inquire if contracts are retained for three years.

We obtained a copy of the contracts for the purchase of transportation service and read them to determine that the contracts specify the specific mass transportation services to be provided by the contractors, specify the monetary consideration obligated by the Agency for the service, specify the period covered by the contracts, and that this period is the same as the period covered by the Agency's NTD Report, and is signed by the representatives of both parties to the contract. We also inquired of Mr. Pryba regarding the retention of the executed contracts and were told that copies of the contracts are retained for a minimum of three years. 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.

The Agency serves one UZA, 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 percent or FG DRM data that have increased or decreased note the reasons for the change.

We compared the motor bus data reported on the Total Modal Operating expenses data (F-30, line 15, column e), Actual Vehicle Revenue Miles and Passenger Miles Traveled (S-10, lines 12 and 20, column d) to comparable data from the prior report year and calculated the percentage change from the prior year to the current year. We also compared paratransit (vans) data reported on Form F-30 and Form S-10 to comparable data from the prior report year and calculated the percentage change from the prior year to the current year. We noted motor bus passenger miles and paratransit (vans) vehicle revenue miles and operating expenses increased by more than 10% from the prior year. We interviewed Mr. Pryba who noted that this was attributed to an increased number of passenger trips in the current year compared to the prior year.

Percentage change in the following for motor bus data:

	<u>2024</u>	<u>2023</u>	<u>Change %</u>
Vehicle revenue miles	16,440,906	16,263,471	1%
Passenger miles	85,805,440	73,141,609	17%
Operating expenses	\$ 148,150,909	\$ 140,565,735	5%

Percentage change in the following for paratransit (vans) data:

	<u>2024</u>	<u>2023</u>	<u>Change %</u>
Vehicle revenue miles	2,626,165	2,298,352	14%
Passenger miles	2,358,144	2,315,247	2%
Operating expenses	\$ 20,421,829	\$ 16,913,977	21%

Attachment B

Assurance Statements



Submitter: Tidewater Transit, LLC

(a wholly owned subsidiary of Via Transportation, Inc.)
114 5th Avenue, 17th Floor, New York, NY 10011

January 31, 2025

Milwaukee County Transit System
1942 N 17th Street
Milwaukee, WI 53205

Re: Assurance Statement for 2024

Dear Sir or Madam,

For the year 2024, we have maintained internal management information systems in order to document all items related to the contract. Passenger trip data is entered into the Via system provided by MCTS, and contractual expenses are contained in our internal accounting system. Those systems are compliant with and provide the Federal Transit Administration (FTA) required National Transit Data Base information.

Sincerely,

Signed by:

C7652978C824421...

Alex Lavoie, Manager
Tidewater Transit, LLC

January 22, 2025

Milwaukee County Transit System

1942 N 17th Street

Milwaukee, WI 53205

Re: Assurance Statement for 2024

Dear Sir or Madam,

For the year 2024, we have maintained internal management information systems in order to document all items related to the contract. Passenger trip data is entered into the Trapeze system hosted by First Transit, and contractual expenses are contained in our internal accounting system. Those systems are compliant with and provide the Federal Transit Administration (FTA) required National Transit Data Base information as required in our contract with MCTS.

Sincerely,



Mathieu Le Bourhis

CFO

First Transit, Inc.

a Subsidiary of Transdev North America, Inc.

Transdev North America, Inc.

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