



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Management of
Union Station Redevelopment Corporation:

We have performed the procedures described in Attachment I for the year ended September 30, 2020. The Organization's management is responsible for the Bus Deck and Garage Facility revenues.

Union Station Redevelopment Corporation (the Organization) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting you in evaluating whether the bus deck passenger fees reported by bus operators to the Organization are accurately reported for the year ended September 30, 2020. Additionally, the Organization's management has agreed to and acknowledged that the procedures performed are appropriate for their purposes. 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, findings, and recommendations are presented in Attachment I.

We were engaged by the Organization to perform this engagement to apply agreed-upon procedures 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 audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, the bus deck passenger fees for the year ended September 30, 2020. 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 Organization 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 Organization and is not intended to be and should not be used by anyone other than these specified parties.

SCH Attest Services, P.C.

April 8, 2021

UNION STATION REDEVELOPMENT CORPORATION

AGREED-UPON PROCEDURES – ATTACHMENT I For the Year Ended September 30, 2020

PROCEDURES AND FINDINGS:

1. **Conduct interviews with the persons responsible for tracking and reporting passenger counts at each of the seven bus operators that operate at the Union Station Bus Deck.**

We conducted interviews with representatives from six of the seven bus operators that operate at Union Station Bus Deck including Best Bus, Bolt Bus, Greyhound, Megabus, Our Bus, Washington Deluxe, and Peter Pan as follows:

<u>Bus Operator</u>	<u>Representative</u>	<u>Interview Date</u>
Best Bus	Avi Cohen, General Manager	January 27, 2021
Bolt Bus	N/A, Note 1	N/A, Note 1
Greyhound	Tammy Durham, District Manager	January 28, 2021
Megabus	Elizabeth Leahy, Controller	January 26, 2021
Our Bus	Narinder Singh, Co-Founder and CEO	February 10, 2021
Washington Deluxe	Betty Ungar, Owner	February 1, 2021
Peter Pan	Tim Grabowski, Senior Director of Planning and Revenue Management	February 16, 2021

Note 1: The Bolt Bus no longer exists; service to Union Station was discontinued almost a year ago and will not be revived. Currently, none of the Bolt Bus employees are still employed; thus, SC&H was unable to perform the interview process with Bolt Bus.

2. **Obtain an understanding over the internal controls and processes at each bus operator related to tracking and reporting the intercity bus passenger counts.**

We conducted interviews with the individuals identified above and documented our understanding of internal controls and processes relating to tracking and reporting the intercity bus passenger counts as summarized below.

Best Bus

Best Bus represents approximately 3% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. The Best Bus routes are between the Washington, D.C., metropolitan area and New York, New York. In addition to the Union Station stop, Best Bus also has stops in Franconia-Springfield Metro, Virginia; Vienna-Fairfax Metro, Virginia; Manassas, Virginia; and Dupont Circle, Washington, D.C. The first stop on the bus route from Union Station to New York, New York is Dupont Circle. Best Bus only operated from October 2019 through mid-March 2020 during the year ended September 30, 2020 due to the impact of COVID-19.

Reservations are made either online or at the ticket counters. Most of the reservations are made online and very few tickets are purchased at the ticket counters. Reservations made online or at the ticket counters are both captured in the monthly reservation report. The passenger counts as reported to Union Station are based upon “used” reservations. A reservation becomes used by the bus operator scanning

the passenger tickets prior to boarding the bus and prior to the passenger exiting the bus. Historically, tickets were non-refundable, but due to the impact of COVID-19, Best Bus offered temporary refunds, which are reflected within the passenger counts reported to Union Station because the passenger counts are based upon “used” reservations.

Bolt Bus

Bolt Bus represents approximately 9% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. Bolt Bus only operated from October 2019 through July 2020 during the year ended September 30, 2020 due to the impact of COVID-19. We were informed by Tammy Durham, District Manager at Greyhound, that the Bolt Bus product no longer exists and was discontinued in July 2020 and will not be revived. When Bolt was operating, it was very similar to Greyhound with scanning tickets and a driver’s manifest. Currently, none of the Bolt Bus employees are still employed; thus SC&H was unable to perform the interview process with Bolt Bus.

Greyhound

Greyhound represented approximately 27% of the total Union Station bus deck passenger fees earned during the fiscal year ended September 30, 2020. Greyhound has multiple stops in Washington D.C., Northern Virginia, and Maryland. Greyhound operated throughout the year ended September 30, 2020 although the passenger counts were down due to the impact of COVID-19.

Passengers can make reservations online and at the bus stop, but most reservations are made online. Reservations made online or at the ticket counters are both captured in the monthly reservation report. Greyhound allows refunds for certain trips and any tickets that are refunded would be deducted from the passenger counts reported to the Organization. Greyhound offered a limited-time “piece of mind” policy, which allowed passengers that bought a non-refundable ticket and were unable to make their reservation due to COVID-19 to use their ticket at a future date.

The automated system captures the number of reservations made and which busses are routed to and from Union Station. Greyhound generates the monthly reports and summarizes the total number of reservations and routes to and from Union Station.

Megabus

Megabus represented approximately 49% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. Megabus has routes from New York, New York to Washington, D.C. and one route that is from New York to Atlanta, but there is a disembarkment stop in Washington, D.C. Megabus operated throughout the year ended September 30, 2020 although the passenger counts were down due to the impact of COVID-19.

Passengers can make reservations online and at the bus stop. Reservations made online represent approximately 99% of all reservations. Reservations made at the bus stop are processed through the Datatrx machines that are located at the Union Station hub. Reservations made at the bus stop represent approximately 1% of all reservations. Reservations made online and at the bus stop are not captured in the same report; thus, MegaBus runs a report for online reservations and runs a Datatrx report for all reservations made at the bus stop and will calculate the total from these two reports. Megabus allows refunds for certain trips and any tickets that are refunded are deducted from the passenger counts reported to the Organization. Megabus estimates that there is a 2% to 3% no-show or cancellation rate, and the passenger count is not adjusted for no-show or cancelled tickets that are nonrefundable. The system calculates a \$0.75 fee to the Organization based on the number of tickets ordered online or ordered through the Datatrx machines. The system calculates a \$1.50 fee to the Organization for the

passengers that are travelling from New York to Atlanta because these passengers disembark from one bus and board another bus at Union Station.

The passenger counts reported to the Organization is based upon the total number of reservations per the online system generated report and the Datatrx system generated report.

Our Bus

Our Bus represented approximately 5% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. Our Bus has bus routes between Washington, D.C.; Ithaca, New York; New York, New York and various stops throughout New Jersey. Our Bus only operated from October 2019 through mid-March 2020 during the year ended September 30, 2020 due to the impact of COVID-19.

Reservations can only be made online. Reservations are captured through an automated system, which collects the reservations as they are made by the passenger. Tickets are nonrefundable within 24 hours of departure. Passengers that request refunds within 24 hours of the departure are granted refunds at the discretion of Our Bus. Such passengers might have their refund accepted, resulting in a refund equal to the total ticket price. Tickets that are refunded are not removed from the passenger count reports and are still included in the passenger count reports sent to the Organization because Our Bus does not have a system in place to identify and remove reservations that were refunded. Our Bus does not believe that refunds are significant and estimates that less than 1% of tickets are refunded.

Passenger counts reported to the Organization are calculated based on the total number of reservations rather than an actual count of passengers boarding and exiting the bus at Union Station. The system captures buses that are routed to and/or from Union Station. The system generates a monthly report, which summarizes the route and reservations to and / or from Union Station. The monthly reports are generated by the Our Bus accountant. The accountant has view only rights and sends the reports directly to the Organization.

Washington Deluxe

Washington Deluxe represented approximately 5% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. Washington Deluxe only has routes between Washington, D.C. and New York, New York. Washington Deluxe has two stops in Washington DC, which are located at Union Station and Dupont Circle. The passenger is required to indicate if they are disembarking at Union Station or Dupont Circle when making their reservation. Washington Deluxe only operated from October 2019 through mid-March 2020 during the year ended September 30, 2020 due to the impact of COVID-19.

Passengers can make reservations online and at the bus stop. Reservations made online represent approximately 99% of all reservations. Reservations made at the bus stop represent approximately 1% of all reservations. Reservations made online are automatically captured within the system generated reports, but Management of Washington Deluxe is required to manually add reservations that are made at the bus stop to the system. Typically, reservations are nonrefundable and, therefore, the passenger counts are not adjusted for cancellations or no-shows. However, Washington Deluxe offered a limited time refund policy due to COVID-19. If a refund was processed, the passenger was removed from the count because the ticket was deleted from the system.

Passenger counts reported to the Organization are calculated based on total number of reservations rather than on actual count of passengers boarding and exiting the bus at Union Station.

Peter Pan

Peter Pan represented approximately 5% of the total Union Station bus deck passenger fees earned during the year ended September 30, 2020. Peter Pan has bus routes that depart and arrive through Union Station to New York, New York; Baltimore, Maryland; and Philadelphia, Pennsylvania. Additionally, Peter Pan can operate as a commuter service. Peter Pan only operated from October 2019 through mid-March 2020 during the year ended September 30, 2020 due to the impact of COVID-19.

Reservations made through the Peter Pan mobile app or website, online third-party providers, and in-person. Reservations made through the Peter Pan mobile app or website represent 75% to 80% of total reservations. Reservations made through third-party providers like Go To Bus and Bus Bud represent 15% of total reservations. Reservations made in-person at the bus station represent 5% to 10% of total reservations. Reservations made in-person are processed through the bus driver’s handheld ticketing device. The bus driver scans each passenger’s tickets with their handheld ticketing device prior to the passenger boarding and exiting the bus. The ticketing device will illuminate a green light if the ticket is valid. The ticketing device will illuminate a red light if the ticket is considered invalid. The handheld ticketing device captures the passenger counts and will automatically send a report to dispatch. The report received by dispatch indicates the name of the passenger and their destination. The report is reviewed by dispatch and sent to the accounting department. Passenger counts are not adjusted for no-shows or cancellations because tickets are non-refundable. Peter Pan allows passengers to change their ticket up to one hour prior to boarding. Passengers that miss their bus may rebook their ticket for the next available bus if processed within two hours of the initial departure time.

Passenger counts reported to the Organization are calculated based on the number of passengers boarding and exiting the bus at Union Station.

3. Select a sample of three months during the year ended September 30, 2020, from each bus operator (for a total sample selection of 21) for testing as follows:

Bus Operator

Best Bus	November 2019	December 2019	February 2020
Bolt Bus	November 2019	January 2020	May 2020
Greyhound	November 2019	March 2020	July 2020
Megabus	October 2019	April 2020	June 2020
Our Bus	October 2019	December 2019	January 2020
Washington Deluxe	October 2019	December 2019	January 2020
Peter Pan	October 2019	December 2019	February 2020

- a. **Obtain from the bus operator the total passenger count for the month and compare to supporting documentation (i.e., report of ticket sales for the month as reported in the bus operator’s system) provided by the bus operator supporting the passenger count.**

We interviewed each of the bus operators and noted that all the bus operators reported and made payments to the Organization based on reservations tracked by system-generated reports rather than an actual count of passengers boarding and exiting the buses at Union Station. We traced the numbers reported monthly to the Organization to the bus operators’ system-generated reports.

- b. **Agree the monthly passenger count total as reported to the Organization to the monthly passenger count total per the bus operators’ system-generated reports.**

We agreed the monthly passenger count totals as previously reported to the Organization to the monthly passenger count totals per the bus operators’ system-generated reports. The results of our testing were as follows:

Best Bus				
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance	
November 2019	6,692	6,688	4	[A]
December 2019	6,653	6,653	-	
February 2020	3,944	3,941	3	[A]

[A]: *Avi Cohen, General Manager, stated that the difference occurred because passenger reports sent to the Organization are sent at the end of the month. However, on occasion, customers will call after the end of the month for a refund or reschedule a missed reservation to another month. Therefore, when running the report later in the year, the count will be reduced by the number of customers that rescheduled or received a refund.*

Bolt Bus				
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance	
November 2019	17,187	17,187	-	
January 2020	15,060	15,060	-	
May 2020	164	164	-	

Greyhound			
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance
November 2019	49,084	49,484	(400) [B]
March 2020	20,676	20,676	-
July 2020	7,680	7,680	-

[B]: Wende Hughes, Director of Revenue, Accounting and Analysis, stated that the difference between the passenger count as reported to the Organization and the passenger count per the Greyhound system generated report occurred because Greyhound was experiencing a reporting issue and was unable to run reports until the issue was resolved. Therefore, Greyhound estimated the November 2019 passenger count at a total of 49,084. Once the reporting issue was resolved, Greyhound determined that the passenger count was understated by 400. To correct this understatement, Greyhound increased the December 2019 passenger count by 400.

Megabus			
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance
October 2019	96,609	96,609	-
April 2020	4,799	4,799	-
June 2020	6,994	6,994	-

Our Bus			
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance
October 2019	12,505	12,505	-
December 2019	12,155	12,155	-
January 2020	8,293	8,293	-

Washington Deluxe			
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance
October 2019	4,257	4,254	3
December 2019	5,775	5,775	-
January 2020	3,023	3,023	-

[C]: Betty Ungar, Owner of Washington Deluxe, stated that the difference between the passenger count as reported to the Organization and the passenger count per the Washington Deluxe system generated report occurred because after the submission of the report to the Organization, Washington Deluxe processed three refunds for October 2019 customer cancellations. Therefore, the refunds were not deducted from the passenger count previously submitted to the Organization, but were deducted from the system generated report because the report was generated after the refunds were processed.

Peter Pan			
	Passenger Count as Previously Reported to the Organization	Passenger Count per Operator's System-Generated Reports	Variance
October 2019	13,541	13,541	-
December 2019	9,115	9,115	-
February 2020	9,106	9,106	-

- c. **Recalculate the total monthly passenger fees due to the Organization and agree the recalculation to the total monthly passenger fees per the intercity bus report and agree the total monthly passenger fees per the intercity bus report to the bus passenger fee revenue per the Organization's general ledger.**

We recalculated the total monthly passenger fees due to the Organization by multiplying the monthly passenger count total per the operator's system generated reports by the agreed upon fee of \$0.75. We then compared the recalculation to the total monthly passenger fees per the intercity bus report. Lastly, we compared the total monthly passenger fees per the intercity bus report to the bus passenger fee revenue recorded in the Organization's general ledger. The results of our testing were as follows:

Best Bus				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
November 2019	\$ 5,019.00	\$ 5,016.00	\$	3.00 [D]
December 2019	\$ 4,989.75	\$ 4,989.75	\$	-
February 2020	\$ 2,958.00	\$ 2,955.75	\$	2.25 [D]

[D]: The November 2019 and February 2020 passenger fee variances are due to the variances in the November 2019 and February 2020 passenger counts. The variance in the November 2019 and February 2020 passenger counts were explained within tickmark [A] above. Refer to explanation therein.

Bolt Bus				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
November 2019	\$ 12,890.25	\$ 12,890.25	\$	-
January 2020	\$ 11,295.00	\$ 11,295.00	\$	-
May 2020	\$ 123.00	\$ 123.00	\$	-

Greyhound				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
November 2019	\$ 36,813.00	\$ 37,113.00	\$	(300.00) [E]
March 2020	\$ 15,507.00	\$ 15,507.00	\$	-
July 2020	\$ 5,760.00	\$ 5,760.00	\$	-

[E]: The November 2019 passenger fee variance is due to the variance in the November 2019 passenger count, which was explained within tickmark [B] above. Refer to explanation therein.

Megabus				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
October 2019	\$ 72,456.75	\$ 72,456.75	\$	-
April 2020	\$ 3,599.25	\$ 3,599.25	\$	-
June 2020	\$ 5,245.45	\$ 5,245.50	\$	(0.05) [F]

[F]: The Megabus Controller, explained that the difference is due to rounding differences.

Our Bus				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
October 2019	\$ 9,378.75	\$ 9,378.75	\$	-
December 2019	\$ 9,116.25	\$ 9,116.25	\$	-
January 2020	\$ 6,219.75	\$ 6,219.75	\$	-

Washington Deluxe				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
October 2019	\$ 3,192.75	\$ 3,190.50	\$	2.25 [G]
December 2019	\$ 4,331.25	\$ 4,331.25	\$	-
January 2020	\$ 2,267.25	\$ 2,267.25	\$	-

[G]: The October 2019 passenger fee variance is due to the variance in the October 2019 passenger counts, which was explained within tickmark [C] above. Refer to explanation therein.

Peter Pan				
	Passenger Fees per Intercity Bus Report	Fees Recalculated from Above		Variance
October 2019	\$ 10,156.00	\$ 10,155.75	\$	0.25 [H]
December 2019	\$ 6,836.00	\$ 6,836.25	\$	(0.25) [H]
February 2020	\$ 6,830.00	\$ 6,829.50	\$	0.50 [H]

[H]: Per Tim Grabowski, Senior Director of Planning and Revenue Management, explained that these differences are due to rounding differences.

RECOMMENDATION:

Most of the bus operators report the passenger counts to the Organization based upon the total number of tickets that board or disembark at Union Station. The report captures the boarding and disembark location because each passenger selects the board and disembark location when they book the reservation. However, the passenger is not required to disembark at their requested disembarkment location. Therefore, the actual number of passengers that disembark at Union Station could be different from the number of passengers that selected Union Station as their disembarkment location when booking the reservation. We recommend that the Organization require bus operators to periodically (i.e., quarterly) count the number of passengers that disembark and board at a specific location and compare that count to the count on the monthly reservation reports. This process will determine the accuracy of the disembarkment location reported on the monthly reservation report.