

2013 Urban Reporting Manual

- 6e: NTD Sampling Method

Independent Auditor Statements

An Independent Auditor Statement (IAS) is a letter signed by an independent public accountant or other independent entity (such as a state audit agency). There are two Independent Auditor Statements (IAS):

- Independent Auditor Statement for Financial Data (IAS–FD); and
- Independent Auditor Statement for Federal Funding Allocation Data (IAS–FFA).

The statement should indicate whether any of the data reported does not conform to the NTD requirements and describe the discrepancies. The Independent Auditor Statement (IAS) should identify the auditing firm's name and the location (city) of the office making the statement, and should be signed and dated.

Independent Auditor Statement for Financial Data (IAS-FD)

Overview

Each transit agency is required to file an IAS – FD with their NTD Annual Report. This is usually a one-time submission that must be reviewed and approved by FTA. An audit conducted for the OMB Circular A-133 Single Audit Act is not a substitute.

The independent auditor must review all financial forms to ensure that: 1) the transit agency's accounting system follows the Uniform System of Accounts (USOA), 2) accrual accounting or a directly translatable method is used, and 3) all financial data are in accordance with NTD requirements. The review must state whether any of the reported data do not conform to NTD requirements and describe the discrepancies.

If FTA approves the IAS–FD, the Chief Executive Officer (CEO) Certification may be used in subsequent years in lieu of the IAS–FD. The chief executive officer (CEO) must certify the overall accuracy of the data in the NTD Annual Report.

If there is a change in the transit agency's accounting system, another review must be performed (a new IAS–FD) and submitted to FTA. FTA may require a new review if there are substantial changes in financial data reporting.

The criteria for retaining FTA approval are:

- The transit agency has adopted the USOA, and has previously submitted an NTD Annual Report that was compiled using the USOA and was reviewed by an independent auditor, or
- The transit agency:
 - Uses an internal accounting system other than the accounting system prescribed by the USOA
 - Uses the accrual method of accounting or a directly translatable method
 - Directly translates the system and accounting categories, using a clear audit trail, to the accounting treatment and categories specified by the USOA, and
 - Has previously submitted an NTD Annual Report that was compiled using the same internal accounting system and translation to the USOA, and was reviewed by an independent auditor.

If the above criteria are met, the CEO Certification must verify that the financial data continues to meet one of the above conditions.

Suggested Format

The transit agency must submit the IAS–FD as applicable. FTA provides suggested formats in Internet Reporting on the **Reports** tab (Example 31). It is not a requirement that a transit agency use these formats; however, the IAS–FD must still address each of the items outlined in the suggested format.

The suggested format ensures the financial reporting forms conform in all material respects with the accounting requirements in the USOA and NTD reporting requirements. Usually, a transit agency has the financial data review done only once and sends the IAS–FD to FTA. If the transit agency is in conformance, FTA grants approval. This approval remains in effect until the accounting system or method changes, or if significant issues arise.

Exhibit 82 — Independent Auditor Statement for Financial Data — Suggested Format

Instruction: The IAS-FD file copy should be on the independent auditor's letterhead and should be kept on file by the transit agency

The Board of Trustees

Transit Agency Name

In connection with our regular examination of the financial statements of [agency name], for the fiscal year ended [date], on which we have reported separately under [date of auditor's statement], we have also reviewed the reporting forms listed below and included in the report for the fiscal year ended [date], required under Title 49 U.S.C. 5335 (a), for conformity in all material respects with the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA). Our review for this purpose included such tests of the accounting records and such other auditing procedures, as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the USOA.

Instruction: Select one of the following two paragraphs for inclusion in your Statement:

The accounting system from which this NTD report is derived follows the accounting system prescribed by the USOA. The same accounting system has been adopted and was used to compile this NTD report.

or

The accounting system from which this NTD report is derived is other than the accounting system prescribed by the USOA, but uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA. The same internal accounting system has been adopted and was used to compile this NTD report.

Instruction: Submit a list of the specific financial forms being reported upon:

- Sources of Funds — Funds Earned and Funds Expended form (F-10)
- Uses of Capital form (F-20)
- Operating Expenses forms (F-30 and F-40)

Based on our review, in our opinion the accompanying reporting forms identified above conform in all material respects with the accounting requirements of the FTA as set forth in its applicable USOA.

Signed:

Date:

Title:

City

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Independent Auditor Statement for Federal Funding Allocation Data (IAS-FFA)

Overview

Transit agencies that are in or serve urbanized areas (UZA) with populations of 200,000 or more, and whose report covers 100 or more vehicles operated in annual maximum service (VOMS) across all modes and types of service (TOS), are required to have an independent auditor review all NTD data used in the Urbanized Area Formula Program (UAF) and the State of Good Repair (5337) and Bus and Bus Facilities (5339) allocations. This is an annual requirement. Transit agencies other than those stated above would only submit this statement if requested by FTA.

When a transit agency reaches the 100-vehicle threshold, it must submit an IAS – FFA. This is required for the report year in which the transit agency reaches the threshold.

The IAS–FFA is required by the transit agency's due date (refer to the Introduction section of this manual for the NTD Reporting Timeline) or your agency may receive a **Close Out Failure to Report**. As this audit statement is a requirement for reporting, failure to complete the IAS – FFA in a timely manner may result in the agency not qualifying for apportionment. The transit agency should keep the Statement on file for FTA's Triennial Review.

The IAS–FFA should discuss, by mode and TOS: fixed guideway directional route miles (FG DRM), High Intensity Bus directional route miles (HIB DRM), actual vehicle revenue miles (VRM), actual vehicle revenue hours (VRH), passenger miles traveled (PMT), operating expenses (OE) and commencement date of revenue service. The independent auditor should describe the procedures for determining the following:

- Assurance that a system exists to record and gather data on a continuing basis.
- Assurance that a system exists, and is maintained, for recording data in accordance with NTD definitions. This means that the correct data are being measured and that there are no systematic errors.
- Assurance that 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 Annual Report. The data must be fully documented and securely stored.
- Assurance that there is a system of internal controls to ensure the accuracy of the data collection process and recording system and that reported documents are not altered.
- Assurance that a supervisor reviews and signs documents as required.
- Assurance that the data collection methods are those suggested by FTA; or have been approved by FTA or a qualified statistician as being equivalent in quality and precision. The collection methods must be documented and followed.
- Assurance that the deadhead miles, computed by taking the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Documentation that reported data have undergone analytic review to ensure that they are consistent with prior reporting periods and other facts known about transit agency operations.
- Documentation of the specific documents reviewed and tests performed.
- Documentation of how purchased transportation (PT) fare revenues and contract expenditures are reported; i.e., PT fare revenues should include all fare revenues pertaining to the PT service, and buyer's contract expenditures are reported net of (not including) the PT fare revenues.

Suggested Procedures

FTA provides a suggested list of procedures to satisfy the requirements of the IAS – FFA review (see the following exhibit). The procedures are an aid for an auditor to conduct in its review of data items used in the UAF and the State of Good Repair (5337) and Bus and Bus Facilities (5339) allocations. These procedures allow the auditor to make the assurances about data collection, supervision and records retention specified in the suggested IAS–FFA.

These are suggested procedures for the review of federal funding allocation data (see the following exhibit). If any suggested procedure is not used, the auditor has to replace it with an alternative procedure which fully addresses the intent of the suggested procedure.

There is also an Auditor Help Sheet that provides guidance about the type of source documents and personnel to assist in undertaking the suggested procedures. The Auditor Help Sheet is available from www.ntdprogram.gov.

Exhibit 83 — Federal Funding Allocation Data Review — Suggested Procedures

FTA has specified and agreed to a set of procedures for the independent auditor to perform to satisfy the requirements of the Federal Funding Allocation data review. Several of the procedures below require the auditor to select a random sample of documents or data. The procedures do not specify the number to be selected (i.e., the percentage of the total documents / data). The auditor should use professional judgment to determine the percentage that will enable the auditor to make the required assurances.

The source documents and other records (such as data summaries) may be in the form of computerized data files. The auditor should ensure that these files are securely stored and that backup procedures are in place to ensure that source documents are retained by the transit agency for a minimum of three years.

The procedures, to be applied to each applicable mode and type of service (TOS) (directly operated (DO) and purchased transportation (PT)), are:

- 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 2013 Reporting Manual. If procedures are not written, discuss the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance.
- b. Discuss the procedures (written or informal) with the personnel assigned responsibility of 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 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 2013 Reporting Manual.
- c. Inquire of same personnel concerning the retention policy that is followed by the transit agency with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics form (FFA-10).
- 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, select three months out of the year and determine whether the document exists for each of these periods.
- e. Discuss the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquire 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.
- 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 the supervisors' reviews are documented.
- g. Obtain the worksheets utilized by the transit agency to prepare the final data that are transcribed 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 summarizations.
- h. Discuss the transit agency's procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire 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.

Exhibit 83 — Federal Funding Allocation Data Review — Suggested Procedures

- i. Discuss with transit agency staff (the accountant 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 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 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 urbanized area).
 - 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, review the NTD documentation for the most recent mandatory sampling year (2011) and determine that statistical sampling was conducted and meets the 95% confidence and +10% precision requirements.

Determine how the transit agency estimated annual PMT for the current report year.

- 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 average trip length was used, determine that the universe of runs was used as the sampling frame. Determine 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. Determine that the transit agency followed the stated sampling procedure.
- k. Select a random sample of the source documents for accumulating PMT data and determine that they 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 summarization.
- l. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with transit agency staff and determine that stated procedures are followed. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.
- 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, 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 summarization.
 - 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 summarization 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's definitions.
- n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Exhibit 83 — Federal Funding Allocation Data Review — Suggested Procedures

- o. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting the NTD data whether the operations meet FTA's definition of fixed guideway (FG) or High Intensity Bus (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 parallel adjacent highway, and
 - 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-20))
 - High Occupancy / Toll (HO/T) lanes meet FHWA requirements for traffic flow and use of toll revenues, and that the transit agency has provided to NTD a copy of the State's certification to the US Secretary of Transportation that it has established a program for monitoring, assessing and reporting on the operation of the HOV facility with HO/T lanes.
- p. Discuss the measurement of fixed guideway FG and HIB DRM with the person reporting the NTD data and determine that 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 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 FFA-10 form.
- q. The auditor should 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:
- DRMs 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-20 form 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 DRMs lasting more than 12 months, the transit agency should contact their validation analyst to discuss. FTA will make a determination on how the DRMs should be reported.
- r. Measure FG/HIB DRM from maps or by retracing route.
- s. Discuss with the person reporting the NTD data 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 FFA-10 form. Each transit agency should report the actual VRM, PMT and OE for the service operated over the same FG/HIB.
- t. Review the S-20 form. Discuss the persons reporting NTD data the Agency Revenue Service Start Date for any segments added in the 2013 report year. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date is reported as 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 2013 report year, the Agency Revenue Service Date must occur within the transit agency's 2013 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.
- u. Compare operating expenses with audited financial data, after reconciling items are removed.
- v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data regarding the amount of PT generated fare revenues. The PT fare revenues should equal the amount reported on the Contractual Relationship form (B-30).

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Exhibit 83 — Federal Funding Allocation Data Review — Suggested Procedures

- 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 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 (IAS) for the PT data.
- x. If the transit agency purchases transportation services, obtain a copy of the PT contract and determine 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, period covered by the transit agency's NTD report; and (4) is signed by representatives of both parties to the contract. Interview the person responsible for maintaining the NTD data regarding the retention of the executed contract, and determine that copies of the contracts are retained for 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 regarding the procedures for allocation of statistics between UZAs and non-UZA. Agencies that operate service in both within a UZA and outside of a UZA (non-UZA) will report to the 2013 Annual NTD database. Agencies who operate service only in a non-UZA should report the 2013 NTD Rural Report. 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.
- z. Compare the data reported on the FFA-10 form 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 DRM data that have increased or decreased, interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period. The auditor should document the specific procedures followed, documents reviewed, and tests performed in the work papers. The work papers should be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor should clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor, but not by FTA.

Fixed Guideway

The following provides additional discussion on reporting fixed guideway (FG) segments and covers the following topics:

- High occupancy / toll (HO/T) lanes;
- High Intensity Bus (HIB) lanes; and
- New and modified fixed guideway segments.

High Occupancy / Toll Lanes

MAP-21 clarifies provisions governing the use and operation of high occupancy vehicles (HOV), in particular the use of HOV facilities by high occupancy / toll (HO/T) vehicles. These are vehicles that are not otherwise exempt to use the HOV facility (e.g., energy efficient vehicles) if the vehicle pays a toll. HO/T toll lanes allow single occupancy vehicles (SOVs) to gain access to (HOV) facilities by paying a toll. If a transit agency has stricter requirements for high occupancy vehicles facilities than the prohibition of single occupancy vehicles, then those requirements apply to the HO/T lane.

A State agency with jurisdiction over the operation of a HOV facility must establish occupancy requirements for HOV lanes and for any exemptions. The State agency must certify to the US Secretary of Transportation that they have established a program to monitor, assess, and report on the operation of the facility and the impact of high occupancy / toll vehicles and other low emission and energy efficient vehicles. An adequate enforcement program is also required, and provision made for limiting or discontinuing the exemptions if the facility becomes seriously degraded.

These provisions and clarifications also require that for excess toll revenues, priority consideration is to be given to projects for developing alternatives to single occupancy vehicle travel and for improving highway safety.

High Intensity Bus

MAP-21 established a new category of lane called High Intensity Bus. Lanes that are exclusive to transit at all times are still classified as fixed guideway; however, lanes that are shared with some traffic (i.e. HOV and HO/T lanes) and lanes that are sometimes open to mixed traffic are now classified as HIB. HIB lanes do not receive UAF funding, but do receive State of Good Repair funding.

High Intensity Bus lanes are reported in the same way as fixed guideway lanes. Internet Reporting will automatically classify lanes as HIB or FG.

New and Modified Fixed Guideway Segments

You may add new FG segments or modify existing FG segments. These new segments can be:

- A segment being reported to NTD for the first time by any transit agency. If a segment has been added as new it is important to verify that the segment has never been reported to NTD in prior years. , All data entry fields will be available
- A segment being reported to NTD for the first time by this transit agency. The segment is available to select from the drop-down menu. Only selected fields can be modified. Refer to the Fixed Guideway Segments form (S-20).

For new and modified segments, NTD also requires that the transit agency provide supporting documentation. This includes detailed maps that clearly show each segment and when the transit agency first began revenue service on the segment.

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 a revenue service start date prior to the current NTD report year, FTA will only consider segments continuously reported to NTD.



Until a segment is reviewed and accepted by NTD, it appears under a proposed new segments section on the S-20 form, and the directional route miles (DRM) for the segment are not included in the summary at the bottom of the form. Once a new segment is approved, NTD will enter the segment and its directional route miles into the database and the directional route miles for the new segment will be included in the summary.

For new and modified segments, the following should be done:

- The auditor should review the supporting documentation and S-20 form, and determine with the transit agency the DRM to be reported for the Federal Funding Allocation Statistics form (FFA-10).
- In completing the FFA-10 form, you should include the segment in reporting the DRM and associated statistics for VRM, PMT and OE in the appropriate UZA / non-UZA column.

NTD requires the IAS – FFA to be completed prior to submission of the NTD Annual Report. The auditor does not have to re-review the FFA-10 form once NTD approves the new and modified segments if none of the information on the S-20 form changes.

If the information does change, the auditor must review the revised FFA-10, but does not have to submit a revised IAS – FFA. When submitting a revised report, Internet Reporting will prompt you: 1) to confirm that the CEO certifies the revisions to the report and 2) if required, that the independent auditor has reviewed and concurred with the revisions.

Deleted Segments

If the transit agency no longer operates over a segment reported in the prior year, you must enter the date that transit service was last operated under Out of Revenue Service Date. The segment will be deleted and DRM eliminated in the summary at the bottom of the S-20 form.

You should not use the **Delete** box.

The auditor should confirm the Out of Revenue Service Date, i.e., the date on which the transit agency stopped operating service.

For further information, you should refer to the S-20 form for a discussion of the requirements.

Suggested Format

The transit agency keeps the Independent Auditor Statement for Federal Funding Allocation Data (IAS–FFA) on file for three years after the NTD Annual Report is submitted, for FTA's triennial review. It does not need to be submitted with the NTD Annual Report.

FTA provides suggested formats in Internet Reporting on the **Reports** tab (Example 32). It is not a requirement that a transit agency use these formats; however, the IAS–FFA data must still address each of the items outlined in the suggested format.

The suggested format ensures that requirements for the data items used in the Urbanized Area Formula Program (UAF) and the State of Good Repair (5337) and Bus and Bus Facilities (5339) allocations meet FTA standards. The format is consistent with the FTA suggested list of procedures for the independent auditor (see previous exhibit).

During the validation process if revisions are made to the FFA-10 form, the transit agency should document that both the chief executive officer (CEO) and the independent auditor concur with revisions to the transit agency's data, and retain a copy of the revisions in the transit agency's files. The independent auditor does not have to redo the IAS–FFA. When

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submitting a revised report, Internet Reporting will prompt you to confirm that the CEO certifies the revisions to the report and that the independent auditor has reviewed and concurred with the revisions.

Exhibit 84 — Independent Auditor Statement for Federal Funding Allocation Data — Suggested Format

Instruction: The IAS-FFA file copy should be on the independent auditor's letterhead and should be kept on file by the transit agency

The Board of Trustees

Transit Agency Name

FTA has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form (FFA-10) of the transit agency's annual National Transit Database (NTD) report:

- 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.

We have applied the procedures to the data contained in the accompanying FFA-10 form for the fiscal year ending [date]. Such procedures, which were agreed to and specified by FTA in the Declarations section of the 2013 Reporting Manual and were agreed to by the transit agency, were applied to assist you in evaluating whether the transit agency complied with the standards described in the first paragraph of this part and that the information included in the NTD report FFA-10 form for the fiscal year ending [date] 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 2013 Reporting Manual. Additional procedures performed (if any), which are agreed to by the transit agency but not by FTA, are described in a separate attachment to this report. This report is intended solely for your information and for FTA and should not be used by those who did not participate in determining the procedures. The procedures were applied separately to each of the information systems used to develop the reported actual VRM, FG DRM, PMT and OE of [transit agency name] for the fiscal year ending [date] for each of the following modes:

[List each mode by type of service (TOS) (directly operated (DO) or purchased transportation (PT)).]

The following information and findings came to our attention as a result of performing the procedures described in the attachments to this report:

[Itemize all information and findings. If none, so state.]

In performing the procedures, except for the information and findings described above, the information included in the NTD report on the FFA-10 form for the fiscal year ending [date] 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, January 15, 1993 and as presented in the 2013 Reporting Manual.

Signed:

Date:

Title:

City