

The National Transit Database (NTD) program was created to provide a comprehensive public transit database. To meet a high standard of data quality, the Federal Transit Administration (FTA) requires each transit agency to complete declarations stating the validity of the data being reported. The declarations are:

- [Chief Executive Officer \(CEO\) Certification](#)
- [Independent Auditor Statement for Financial Data](#) (IAS - FD)
- [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA).

Reporting Requirements and Thresholds

All required declarations must be completed with the original NTD report submission. A transit agency must file a complete NTD Annual report by the report due date. See Exhibit 3 in the Introduction section of this manual for NTD Annual report due dates.

Requirements for submission of the declarations are as follows:

- The CEO Certification letter format is now incorporated as a form, submitted with the other NTD reporting forms. Do not attach via the **e-File** tab.
- The Independent Auditor Statements for Financial Data must be sent via the **e-File**. The scanned document must display the letterhead, signature and date signed.
- The Independent Auditor Statement for Federal Funding Allocation Data is not submitted but must be kept on file at the transit agency for FTA's Triennial Review. If there are compelling circumstances why the Statement cannot be completed on time, the NTD Annual report must be filed by the due date and the [chief executive officer](#) (CEO) must indicate in paragraph 4d of the Chief Executive Officer form (D-10) the reason why the Statement is late and when it will be completed. The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) should be completed no later than the last date to receive report revisions, as listed in Exhibit 3, or your agency may be Closed Out Failure to Report.

Refer to e-File: Sending Declarations, Waivers, and General Correspondence to NTD and Viewing Report Submission Stages in the Internet Reporting section of this manual.

The exhibit below is a summary of required declarations describing who must make the declaration and follow-up actions.

Exhibit 26 — Annual Declaration Requirements		
Declaration	Performed By	Reporter Actions Required
Chief Executive Officer (CEO) Certification	Chief Executive Officer	Annual requirement – CEO (D-10) form
Independent Auditor Statement for Financial Data (IAS - FD)	Independent Auditor	Review to confirm use of accrual accounting and Uniform System of Accounts (USOA), or a directly translatable method. Approval is granted in writing from FTA. Thereafter, the chief executive officer (CEO) annually certifies financial data in the Chief Executive Officer (CEO) Certification. It is valid until the accounting method changes or significant issues arise. The scanned copy of the IAS – FD is submitted via the e-File.
Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA)	Independent Auditor	Annual requirement for agencies in urbanized areas (UZAs) ≥ 200,000 population with 100 or more vehicles operated in annual maximum service (VOMS) across all modes and types of service (TOS). The IAS-FFA is retained at the agency for Triennial Review. Reported in part four of the CEO (D-10) form, as required.

What Has Changed from Prior Year

There is one change in declarations for the CEO Certification. The letter format has been incorporated into a form. This simplifies the reporting process by ensuring that all requirements are met by the CEO for certifying the NTD data and for completion of Independent Auditor Statement for Financial Data and for the Independent Auditor Statement for Federal Funding Data, as required.

Chief Executive Officer Certification (D-10) form

Form Name: Chief Executive Officer Certification form (D-10)		Add Form Note	Close Form
NTD Report Year	[report year]	NTD ID	[NTD ID]
Agency Name	[name of transit agency]	CEO Name	[CEO name]
CEO Name	[CEO name]	CEO Title	[CEO Title]
Certification Completion Date	[submission date]		
I hereby certify the following concerning the financial and non-financial / operating data submitted in the [name of transit agency] NTD report for its fiscal year ending [date].			
Part 1 - Overall Data Accuracy			
The following statements are true of the overall accuracy of the NTD Annual report:			
1.	The financial and non-financial operating data in this submission are accurate and truthful records of the financial transactions and operations of the [name of transit agency].	Yes <input type="radio"/>	No <input type="radio"/>
	Explain <input style="width: 100%;" type="text"/>		
2.	The financial and non-financial operating data in this submission conform in all material respects with the accounting and definitional requirements of the Federal Transit Administration's (FTA) National Transit Database (NTD) Reporting Manuals and Uniform System of Accounts (USOA).	Yes <input type="radio"/>	No <input type="radio"/>
	Explain <input style="width: 100%;" type="text"/>		
Part 2 - FFA-10 Data for Agencies Serving UZAs over 200,000 Population			
The following data elements are used in the apportionment of Federal funds for the Urbanized Area Formula Program and the Capital Program for Fixed Guideway Modernization: fixed guideway directional route miles, actual vehicle revenue miles, passenger miles traveled and operating costs. Please verify the following statements regarding these data submissions:			
a.	A system is in place for recording these data in accordance with FTA definitions. This system records complete data without systematic errors in data definitions or in comprehensive coverage.		
b.	Data gathering is an ongoing effort and is collected on a continuing basis throughout the year.		
c.	Source documents are available to support the reported data and will be maintained for at least three years. The source documents are reviewed and signed by a supervisor, as required.		
d.	A system of internal controls is in place to ensure the accuracy of the data collected and reported to the NTD. Documents are reviewed and signed by a supervisor, as required.		
e.	Data collection methods for these data are those suggested by FTA or equivalent.		
f.	FTA standards for precision and accuracy in these data have been satisfied. The sampling technique for passenger miles traveled has either been approved by FTA, or has been determined to conform to FTA requirements by a qualified statistician. The approved sampling technique for passenger miles traveled was followed as documented.		
g.	These data are consistent with prior reporting periods, and other facts known about transit agency operations.		
Directly Operated Service			
[Mode]	Yes, a - g apply <input type="radio"/> No, a - g do not apply <input type="radio"/>		
	Explain <input style="width: 100%;" type="text"/>		
Purchased Transportation Service			
[Mode]	Yes, a - g apply <input type="radio"/> No, a - g do not apply <input type="radio"/>		
	Explain <input style="width: 100%;" type="text"/>		
Part 3 - Financial Data			
Complete 1 and / or 2 below. Paragraphs 3a, 3b or 3c will appear, as applicable			
1.	[name of transit agency] has FTA approval of an Independent Auditor Statement for Financial Data for a prior report year and is not submitting a new statement for the current report year	Yes <input type="radio"/>	No <input type="radio"/>
2.	[name of transit agency] was granted a waiver by FTA not to have an Independent Auditor Statement for Financial Data for the current report year.	Yes <input type="radio"/>	No <input type="radio"/>
3a.	[name of transit agency]'s internal accounting system, from which this NTD report submission is derived, follows the accounting system prescribed by the Uniform System of Accounts (USOA). The same accounting system has been adopted and was used to compile this NTD report. An NTD report was previously submitted for fiscal year ending [date], which contained an independent auditor's NTD financial data statement signed by [name of auditor] and dated [date], and which was approved by FTA.		
3b.	[Name of transit agency]'s internal accounting system is other than the accounting system prescribed by the Uniform System of Accounts (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 Uniform System of Accounts (USOA). The same internal accounting system has been adopted and was used to compile this NTD report. An NTD report was previously submitted for fiscal year ending [date], which contained an independent auditor's NTD financial data statement signed by [name of independent auditor] and dated [date], and which was approved by FTA.		
3c.	A review of the financial data for the [report year] report year has been completed. (The auditor's review must be attached and sent via the e-File tab.)	Yes <input type="radio"/>	No <input type="radio"/>
	Reason why Review has not been completed <input style="width: 100%;" type="text"/>		
	On date: <input style="width: 100px;" type="text"/> (mm/dd/yyyy)	By: <input style="width: 100px;" type="text"/>	

2007 Annual Reporting Manual

Part 4 - FFA-10 Data for Agencies Serving UZAs of 200,000 Population more and 100 or more Vehicles Operated in Annual Maximum Service (VOMS) across all Modes and Types of Service (TOS)

4a. A review of the Federal funding allocation data on the Federal Funding Allocation Statistics form (FFA-10) for the [report year] report year has been completed and is on file at our transit agency for FTA's Triennial Review. Yes No

Completion date (mm/DD/yyyy) By:

4b. The auditor had negative findings. Yes No

4c. Address each negative finding. Add Finding

Finding How did the Agency address the Finding? Delete

4d. The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) has not been completed

Reason why Review has not been completed

Anticipated completion date (mm/DD/yyyy) By:

Part 5 - Passenger Mile Data Collection

Please certify the method used to collect passenger miles data for each mode and type of service:

5a. FTA Circular (select circular 2710.1a or 2710.2a) (estimated data).

5b. 100% count of passenger mile data (actual data).

5c. Alternative sampling procedure determined to meet 95% confidence and ±10% precision levels by a qualified statistician (estimated data).

5d. Collected and estimated using the trip length from the last mandatory year multiplied by the unlinked passenger trip (UPT) number from this year (estimated data). The last mandatory year passenger mile (PM) data were collected and estimated (select from the following):

5d.1. Using FTA Circular (select circular 2710.1a or 2710.2a) (estimate)

5d.2. Using a 100% count of passenger mile (PM) data (actual)

5d.3. Using an alternative sampling procedure determined to meet 95% confidence and ±10% precision levels by a qualified statistician (estimate).

5e. None of the above

Directly Operated Service

[Mode]

Purchased Transportation Service

[Mode] [Contractor Name]

Part 6 - Unlinked Passenger Trip Data Collection

Please certify the method used to collect unlinked passenger trip data for each mode and type of:

6a. FTA Circular 2710.1A (estimated data).

6b. 100% count of unlinked passenger trip (UPT) data (actual data).

6c. Alternative sampling procedure determined to meet 95% confidence and ±10% precision levels by a qualified statistician (estimated data).

6d. None of the above

Directly Operated Service

[Mode]

Purchased Transportation Service

[Mode] [Contractor Name]

Save
Close
Print

Chief Executive Officer Certification form (D-10)

Overview

Each transit agency is required to submit a [Chief Executive Officer \(CEO\) Certification](#) with its NTD Annual report. The certification is an NTD form, approved by the transit agency's [chief executive officer](#) (CEO) that endorses and attests to the accuracy of the data submitted in the NTD Annual report. A Chief Executive Officer (CEO) Certification is not required of transit agencies that are granted a [Nine or Fewer Vehicles Waiver](#) for the report year.

The Chief Executive Officer form (D-10) should identify the title of the chief executive officer (CEO) and be electronically approved. The chief executive officer (CEO) is the principal executive in charge of, and responsible for, the transit agency.

The following examples illustrate who is a chief executive officer (CEO):

- Transit authority general manager
- Transit authority administrator
- County or city government department head
- State Department of Transportation division head
- Council of Governments, commission or transit district executive director
- City sponsored demand response (DR) system executive director
- Whomever the transit agency board designates to be authorized and accountable for the NTD Annual report.

Examples of a chief executive officer (CEO) for [purchased transportation](#) (PT) by a private operator filing a separate report are:

- Senior operations manager (site specific)
- Officers (e.g., the president, vice president or controller at the corporate level would also be acceptable). This includes equivalent positions at operating subsidiaries.

The chief executive officer (CEO) is required to complete a certification for each NTD report year. The certification must:

- Certify the accuracy of the complete data submitted in the overall report
- Certify specifically the accuracy of the Federal funding allocation data used in the [Urbanized Area Formula Program](#) (UAF) and [Capital Program](#) for Fixed Guideway Modernization apportionments if the transit agency is in or serves an [urbanized area](#) (UZA) with populations of 200,000 or more
- Attest to the [independent auditor](#) reviews of both financial data and Federal funding allocation data, if applicable
- Describe the procedures used to estimate or collect actual [passenger mile](#) data and [unlinked passenger trip](#) (UPT) data by [mode](#) and [type of service](#) (TOS).

Overall Report

The Chief Executive Officer (CEO) Certification attests that all data contained in the NTD Annual report are accurate and are collected and reported in accordance with NTD definitions.

Federal Funding Allocation Data

If the transit agency is in or serves an urbanized area (UZA) with a population of 200,000 or more, the Chief Executive Officer (CEO) Certification attests that:

- The data items used for the apportionment of [Urbanized Area Formula Program](#) (UAF) and [Capital Program](#) for Fixed Guideway Modernization funds are accurate, and
- There is documentation of procedures and internal controls to ensure data accuracy.

Independent Auditor Statement for Financial Data

The Independent Auditor Statement for Financial Data (IAS-FD) is usually a one-time review that examines the transit agency's accounting system meets FTA requirements. If the requirements are met, FTA waives the transit agency for an annual IAS-FD.

2007 Annual Reporting Manual

The Chief Executive Officer (CEO) Certification is used to verify whether FTA approved an IAS-FD for a prior report year, whether a waiver was granted not to have an IAS-FD for the current year or whether an IAS-FD was done for the current report year.

If FTA approved an IAS-FD for a prior report year and continues to use the same accounting system, the [Chief Executive Officer \(CEO\) Certification](#) states that:

- The [Independent Auditor Statement for Financial Data](#) (IAS - FD) found that the transit agency's accounting system, used to derive all data submitted in the NTD Annual report, is in accordance with the [Uniform System of Accounts](#) (USOA) and that an NTD Annual report using this system was reviewed by an independent auditor in a previous report year, or
- If applicable, that:
 - The transit agency's accounting system uses the [accrual accounting](#) method
 - The transit agency's accounting system is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the Uniform System of Accounts (USOA), and
 - The accounting system and direct translation to the Uniform System of Accounts (USOA) are the same as those reviewed by an independent auditor in a previous reporting year, or
- If the transit agency does not have FTA approval of its accounting system or if the transit agency has revised its system or method, the Chief Executive Officer (CEO) Certification must:
 - Verify that the transit agency's Independent Auditor Statement for Financial Data (IAS - FD) for the current report year has been completed
 - Provide the name of the auditor and date of the review, or
- If FTA granted a waiver from completing an IAS-FD for the current year.

It is important to note that "accounting system" refers to the accounting methodology, for example, accrual or cash basis and to the chart of accounts, i.e. the Uniform System of Accounts (USOA). "Accounting system" does not refer to the hardware or software. Therefore, if the accounting system remains the same, while the hardware or software is upgraded or changed, this does not necessitate a new Independent Auditor Statement for Financial Data (IAS - FD).

Independent Auditor Statement for Federal Funding Allocation Data

If the transit agency is in or serves a urbanized area (UZA) with a population of 200,000 or more and operates 100 or more [vehicles operated in annual maximum service](#) (VOMS) across all [modes](#) and [types of service](#) (TOS), the Chief Executive Officer (CEO) Certification states that the transit agency's [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA) has been completed, along with:

- The name of the auditor and date of the completed Independent Auditor Statement
- Whether there are any negative findings
- If there were any negative findings, how the transit agency addressed the negative findings.

If there are compelling circumstances which prevent the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) to be completed on time, the NTD Annual report must be filed by the due date and the [chief executive officer](#) (CEO) must indicate in paragraph 4d of the Chief Executive Officer form (D-10) the reason why the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) is late and when it will be completed. The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) is to be completed no later than the last date to receive report revisions for the transit agency's report due date and filed for FTA's Triennial Review.

Passenger Mile Data

The Chief Executive Officer (CEO) Certification states that either a 100-percent [passenger mile](#) count was conducted (actual data), or the sampling method used to collect (estimate) passenger mile data for each mode by type of service (TOS) meets FTA requirements. For [purchased transportation](#) (PT) service, [sellers](#) for the same mode may use different sampling methods or choose to do a 100-percent count of passenger mile data. If this occurs, each method or 100-percent count must be listed.

It is important that the NTD Annual report be consistent in stating how passenger mile data were derived. The Chief Executive Officer (CEO) Certification, Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) and the Service form (S-10) must indicate the same information regarding [passenger mile](#) data.

Unlinked Passenger Trip Data

The [Chief Executive Officer \(CEO\) Certification](#) states that either a 100-percent [unlinked passenger trip](#) (UPT) count was conducted (actual data), or the sampling method used to collect (estimate) unlinked passenger trip (UPT) data for each [mode](#) by [type of service](#) (TOS) meets FTA requirements. For [purchased transportation](#) (PT) service, [sellers](#) for the same mode may use different sampling methods or choose to do a 100-percent count of unlinked passenger trip (UPT) data. If this occurs, each method or 100-percent count must be listed.

It is important that the NTD Annual report be consistent in stating how unlinked passenger trip (UPT) data were derived. The Chief Executive Officer (CEO) Certification, [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA) and the Service form (S-10) must indicate the same information regarding unlinked passenger trip (UPT) data.

Chief Executive Officer Certification form (D-10)

The form ensures the certification contains the necessary assurances of data accuracy, data recording and retention procedures, and uniform reporting requirements. The certification has six parts:

1. Attests that the data are accurate, truthful and conform in all material respects with the [Uniform System of Accounts](#) (USOA) and Reporting Manuals.
2. Attests to each item ([fixed guideway directional route miles](#) (FG DRM) and age of [fixed guideway](#) (FG) segments, [actual vehicle revenue miles](#) (VRM), [passenger miles](#) and [operating expense](#) (OE)) by mode and type of service (TOS) used in the [Urbanized Area Formula Program](#) (UAF) and [Capital Program](#) for Fixed Guideway Modernization allocations. The chief executive officer (CEO) verifies data accuracy, collection, supervision and records retention.
3. Attests that the transit agency has / has not received FTA approval of an [Independent Auditor Statement for Financial Data](#) (IAS - FD) for a prior report year. If the transit agency does not have approval, the [chief executive officer](#) (CEO) must state the independent auditor's name and the date that the Independent Auditor Statement for Financial Data (IAS - FD) was completed for the current report year. For agencies that have FTA approval, information is customized and pre-filled for each transit agency in Internet Reporting. The customized information includes the type of accounting system, the report year, and the date and auditing firm that reviewed the financial data. In rare cases, FTA may grant a waiver from completing an IAS-FD for the current year and this is also stated in the CEO Certification.
4. Attests that the transit agency does / does not have an Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA), if applicable. In addition, the chief executive officer (CEO) must state the auditor's name and the date that the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) was completed for the current report year, whether there are any negative findings, and if so, how the transit agency addressed the negative findings. If there are compelling circumstances which prevent the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) to be submitted on-time, the NTD Annual report must be filed by the due date and the chief executive officer (CEO) must indicate in paragraph 4d of the Chief Executive Officer form (D-10) the reason why the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) is late and when it will be completed. The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) is to be kept on file by the agency for three years after report submission, so that it is available for FTA's Triennial Review.
5. Describes the passenger mile data (estimate or actual) by mode and type of service (TOS).
6. Describes the unlinked passenger trip (UPT) data (estimate or actual) by mode and type of service (TOS).

During the validation process, the [chief executive officer](#) (CEO) or [independent auditor](#), as applicable, should document that they concur with revisions to the transit agency's data, and retain a copy of the revisions in the transit agency's files. The chief executive officer (CEO) should update the Chief Executive Officer form (D-10) with each report revision. The independent auditor does not have to redo the [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA). When submitting a revised report, Internet Reporting will prompt the transit agency to confirm that the chief executive officer (CEO) certifies the revisions to the report and, if required, that the independent auditor has reviewed and concurred with the revisions.

Line by Line Instructions

Completing the CEO Certification form (D-10)

Complete one form.

Form Level Help: Click on the **Help** tab at the top of the screen for form level help. A form note can be attached to any form. Use the **Add Form Note** link for relevant information to a specific field, to the entire form or to multiple forms. Click on the **Add Form Note** link at the top of the screen and enter your note on the **Notes** screen. You can review and / or edit a form note from the **Notes** tab. Do not use the **Form Notes** feature to answer issues generated from this form. From the **Issues** tab use the **Add Comments** link next to the specific issue.

Saving or Closing the Form

Click on the **Save** button prior to exiting the form and continuing with the report. Click on the **Close** button at the bottom of the screen to close the form without saving.

Completing the Form

NTD Report Year. This is an **auto-generated** field and cannot be edited, review for accuracy. The field displays the current report year for which the CEO is certifying the NTD data.

Agency Name. This is an **auto-generated** field and cannot be edited, review for accuracy. The field displays the current agency name as stated on the Identification form (B-10).

NTD ID. This is an **auto-generated** field and cannot be edited, review for accuracy. The field displays the NTD identification number assigned by FTA.

CEO Name. Enter the name of the [Chief Executive Officer](#) for your transit agency.

CEO Title. Enter the title of the Chief Executive Officer for your agency.

Certification Completion Date. This is an **auto-generated** field and cannot be edited, review for accuracy. This is the date of the 2007 NTD report at each submission.

Line 01: Overall Data Accuracy. If the CEO certifies to the overall accuracy of the data in the NTD report, select "yes". If "no" is selected for each statement:

- The financial and non-financial operating data in this submission are accurate and truthful records of the financial transactions and operations
- The financial and non-financial operating data in this submission conform in all material respects with the accounting and definitional requirements of FTA Reporting Manuals and the USOA.

Internet Reporting will display a box for you to explain why the CEO will not certify the data. An explanation is required.

Line 02: Part 2 FFA-10 Data for Agencies Serving UZAs over 200,000 Population. If the CEO agrees with each of the following verifications, select "yes" for each [mode](#) and [type of service](#). If "no" is selected, Internet Reporting will display a box for you to explain, by mode / type of service and data item ([vehicle revenue miles](#), [passenger miles](#), [operating costs](#) and [fixed guideway directional route miles](#)), which of the verifications cannot be met and why. An explanation is required. The CEO is asked to verify the following statements:

- a. A system is in place for recording these data in accordance with FTA definitions. The system records complete data without systematic errors in data definitions or comprehensive coverage.
- b. Data gathering is an ongoing effort and is collected on a continuing basis throughout the year.
- c. Source documents are available to support the reported data and will be maintained for at least three years. The source documents are reviewed and signed by a supervisor, as required.
- d. A system of internal controls is in place to ensure the accuracy of the data collected and reported to the NTD. Documents are reviewed and signed by a supervisor, as required.
- e. Data collection methods for these data are those suggested by FTA or equivalent.
- f. FTA standards for precision and accuracy in these data have been satisfied. The sampling technique for passenger miles traveled has either been approved by FTA, or has been determined to conform to FTA requirements by a qualified statistician. The approved sampling technique for passenger miles traveled was followed as documented.
- g. These data are consistent with prior reporting periods, and other facts known about transit agency operations.

Line 03: Part 3 Financial Data.

Select Yes, No or Waiver as follows:

3a and 3b: If FTA approved your Independent Auditor's Statement for Financial Data (IAS-FD) for a prior report year and you are not submitting a new IAS-FD, select "yes". If yes, Paragraph 3a or 3b will appear.

3a or 3b are **pre-filled** and cannot be edited, review for accuracy. The data provide the

- Accounting system.
- Name of the Independent Auditor who performed the financial review,
- Date of the financial review.
- Report year for which the financial review was performed.

3c: If your transit agency does not have a prior year approval by FTA of your Independent Auditor's Statement for Financial Data (IAS-FD) review or the accounting system has changed, and you are submitting an IAS-FD for the current report year, select "no" and complete 3c.

- Name of the Independent Auditor who performed the financial review.
- Date of the financial review.
- Submit the IAS-FD using the **e-File** tab.
- Retain a copy of the review in agency files.

Waiver: If your agency does not have a prior year approval of your Independent Auditor's Statement for Financial Data (IAS-FD) review and FTA granted a waiver for an IAS-FD review for the current report year, select "waiver". 3a, 3b, or 3c will not appear.

Line 04: FFA-10 Data for Agencies Serving UZAs over 200,000 Population and Operating 100 or more [Vehicles in Annual Maximum Service](#) (VOMS).

- 4a: Indicate whether the auditor review of the Federal Funding Allocation form (FFA-10) data has been completed, by selecting "yes" or "no". If no, go to part 4d. If yes:
 - Name of the Independent Auditor who performed the review.
 - Date of the data review.
 - Retain the review in agency files.
 - Note: Suggested review procedures are provided in Exhibit 25.
- 4b: Indicate whether the auditor had any negative findings as a result of the data review by selecting "yes" or "no".
- 4c: If there were negative findings indicated in 4b, then Internet Reporting will display a box for you to explain each negative finding and how your agency addressed each finding.
- 4d: If the independent auditor has not completed the data review by the report due date, provide:
 - Reason why the review was not completed.
 - Anticipated completion date.

Line 05: Passenger Mile Data Collection: For each mode / type of service describe how passenger mile data were collected or estimated for the current report year (year is **pre-filled** and cannot be edited) using 5a, 5b, 5c, 5d or 5e. For [purchased transportation](#) or purchased transportation reported as [directly operated](#), the contractor name is **auto-filled**. If there are multiple providers and they use different methods, select all that are used. Note that contractors for purchased transportation reported as directly operated applies to only a few reporters. Usually contracted service in an agency's NTD report is reported as purchased transportation type of service.

- 5a: FTA Circular (select circular 2710.1a or 2710.2a) (estimated data)
- 5b: 100% count of passenger mile data (actual data)
- 5c: Alternative sampling procedure: Note that the procedure must meet 95% confidence and $\pm 10\%$ precision levels as determined by a qualified statistician (estimated data).
- 5d: Collected and estimated using the trip length from the last mandatory year multiplied by the [unlinked passenger trip](#) (UPT) number from this year (estimated data). The last mandatory year passenger mile data were collected and estimated (select from the following using the **drop down** box):

2007 Annual Reporting Manual

5d.1 Using FTA Circular (select circular 2710.1a or 2710.2a) (estimate)

5d.2 Using a 100% count of passenger mile data (actual)

5d.3 Using an alternative sampling procedure determined to meet 95% confidence and $\pm 10\%$ precision levels by a qualified statistician (estimate).

- 5e: None of the above. Internet Reporting will display a box for you to describe.

Line 06: Unlinked Passenger Trip Data Collection: For each mode / type of service describe how unlinked passenger trips were collected or estimated for the current report year (year is **pre-filled** and cannot be edited) using 6a, 6b, 6c or 6d. For [purchased transportation](#) or purchased transportation reported as [directly operated](#) the contractor name is **auto-filled**. If there are multiple providers and they use different methods, select all that are used. Note that contractors for purchased transportation reported as directly operated applies to only a few reporters. Usually contracted service in an agency's NTD report is reported as purchased transportation type of service.

- 6a: FTA Circular 2710.1A (estimated data).

- 6b: 100% count of unlinked passenger trip (UPT) data (actual data).

- 6c: Alternative sampling procedure determined to meet 95% confidence and $\pm 10\%$ precision levels by a qualified statistician (estimated data).

- 6d: None of the above. Internet Reporting will display a box for you to describe.

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):

1. [Independent Auditor Statement for Financial Data](#) (IAS - FD)
2. [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.

2007 Annual Reporting Manual

Independent Auditor Statement for Financial Data

Overview

Each transit agency is required to file an [Independent Auditor Statement for Financial Data](#) (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 the transit agency's accounting system follows the [Uniform System of Accounts](#) (USOA), that [accrual accounting](#) or a directly translatable method is used, and that all 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 Independent Auditor Statement for Financial Data (IAS - FD), the [Chief Executive Officer \(CEO\) Certification](#) may be used in subsequent years in lieu of the Independent Auditor Statement for Financial Data (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 Independent Auditor Statement for Financial Data (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 Uniform System of Accounts (USOA), and has previously submitted an NTD Annual report that was compiled using the Uniform System of Accounts (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 Uniform System of Accounts (USOA)
 - Uses the accrual method of accounting
 - Directly translates the system and accounting categories, using a clear audit trail, to the accounting treatment and categories specified by the Uniform System of Accounts (USOA), and
 - Has previously submitted an NTD Annual report that was compiled using the same internal accounting system and translation to the Uniform System of Accounts (USOA), and was reviewed by an independent auditor.

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

Suggested Format

The transit agency must submit the Independent Auditor Statement for Financial Data (IAS - FD) as applicable. FTA provides suggested formats in Internet Reporting. It is not a requirement that a transit agency use these formats; however, the Independent Auditor Statement for Financial Data (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 Uniform System of Accounts (USOA) and NTD reporting requirements. Usually, a transit agency has the financial data review done only once and sends the Independent Auditor Statement for Financial Data (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.

Example 32 — Independent Auditor Statement for Financial Data — Suggested Format

The IAS-FD file copy should be on
Independent Auditor's letterhead.

The Board of Trustees
Transit Agency Name

This IAS-FD should be kept on file by
Transit Agency.

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 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 Uniform System of Accounts (USOA).

Select 1 of the following 2 paragraphs for inclusion in your Statement:

The accounting system from which this NTD report is derived follows the accounting system prescribed by the Uniform System of Accounts (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 Uniform System of Accounts (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 Uniform System of Accounts (USOA). The same internal accounting system has been adopted and was used to compile this NTD report.

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)
- Operators' Wages form (F-50)

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 Uniform System of Accounts (USOA).

Signed:

Date:

Title:

City

2007 Annual Reporting Manual

Independent Auditor Statement for Federal Funding Allocation Data

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 [Capital Program](#) for Fixed Guideway Modernization 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 [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA). This is required for the report year in which the transit agency reaches the threshold.

The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) is required by the transit agency's due date (refer to the Introduction section of this manual for the NTD Reporting Timeline). The transit agency should keep the Statement on file for FTA's Triennial Review.

The Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) should discuss, by mode and type of service (TOS): [fixed guideway directional route miles](#) (FG DRM), [actual vehicle revenue miles](#) (VRM), [passenger miles 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 vehicle revenue miles (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., purchased transportation (PT) fare revenues should include all fare revenues pertaining to the purchased transportation (PT) service, and [buyer's](#) contract expenditures are reported net of (not including) the [purchased transportation \(PT\) fare revenues](#).

Suggested Procedures

FTA provides a suggested list of procedures to satisfy the requirements of the Federal Funding Allocation data review. The procedures are an aid for an auditor to conduct in its review of data items used in the Urbanized Area Formula Program (UAF) and the Capital Program for Fixed Guideway Modernization allocations. These procedures allow the auditor to make the assurances about data collection, supervision and records retention specified in the suggested Independent Auditor Statement for Federal Funding Allocation Data.

Fixed Guideway

The following provides additional discussion on reporting [fixed guideway](#) (FG) segments.

High Occupancy / Toll Lanes

Procedure "o" is revised based on SAFETEA-LU (Section 1121).

SAFETEA-LU enhances and clarifies provisions governing the use and operation of 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 high occupancy vehicle (HOV) facilities by paying a toll. If a transit agency has stricter requirements for [high occupancy vehicles \(HOV\) facilities](#) than the prohibition of single occupancy vehicles (SOVs), then those requirements apply to the high occupancy / toll (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 that chooses to allow exceptions to HOV requirements 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.

For NTD, transit agencies reporting HO/T lanes must provide a copy of the State's certification to the US Secretary of Transportation.

New and Modified Fixed Guideway Segments

Transit agencies may add new fixed guideway (FG) segments or modify existing fixed guideway (FG) segments. These new segments can be:

- A segment being reported to NTD for the first time by any transit agency, all data entry fields will be available. 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. If the segment has been reported before by any transit agency, the segment is available to select from the **Drop-Down** menu.
- 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 [revenue service](#) first began on the segment.

For apportionment purposes under the Capital Program for Fixed Guideway Modernization, the 7-year age requirement for fixed guideway 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 Fixed Guideway Segments form (S-20), 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 (DRM) into the database.

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

- The auditor should review the supporting documentation and Fixed Guideway Segments form (S-20), and determine with the transit agency the directional route miles (DRM) to be reported for the Federal Funding Allocation Statistics form (FFA-10).
- In completing the Federal Funding Allocation Statistics form (FFA-10), the transit agency should include the segment in reporting the directional route miles (DRM) and associated statistics for [actual vehicle revenue miles](#) (VRM), [passenger miles](#) and [operating expenses](#) (OE) in the appropriate urbanized area (UZA) / non-urbanized area (non-UZA) column.

NTD requires the [Independent Auditor Statement for Federal Funding Allocation Data](#) (IAS - FFA) to be completed prior to submission of the NTD Annual report. Once NTD approves the new and modified segments and if none of the information on the Fixed Guideway Segments form (S-20) changes, the auditor does not have to re-review the Federal Funding Allocation Statistics form (FFA-10). If the information does change, the auditor must review the revised Federal Funding Allocation Statistics form (FFA-10), but does not have to submit a revised Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA). When submitting a revised report, Internet Reporting will prompt the transit agency to confirm that the [chief executive officer](#) (CEO) certifies the revisions to the report and, if required, that the [independent auditor](#) has reviewed and concurred with the revisions.

2007 Annual Reporting Manual

Deleted Segments

If the transit agency no longer operates over a segment reported in the prior year, the transit agency enters the date that transit service was last operated under Out of Revenue Service Date. The segment will be deleted and [directional route miles](#) (DRM) eliminated in the summary at the bottom of the Fixed Guideway Segments form (S-20).

The transit agency is not to 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.

Refer to the Fixed Guideway Segments form (S-20) for a discussion of the requirements.

These are suggested procedures. If a suggested procedure a – y 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 27 — 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 2007 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 2007 Reporting Manual.
- c. Inquire of same person 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 (FFA-10). 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 mile data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure used is (1) a 100% count of actual passenger miles or (2) an estimate of passenger miles based on statistical sampling meeting FTA's 95% confidence and $\pm 10\%$ precision requirements. If the transit agency conducts a statistical sample for estimating passenger miles inquire whether the sampling procedure is (1) one of the two procedures suggested by FTA and described in FTA Circulars 2710.1A or 2710.2A; or (2) 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

Exhibit 27 — Federal Funding Allocation Data Review — Suggested Procedures

has not been approved in writing by a qualified statistician.

- 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 passenger mile 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 passenger mile data every third year rather than annually. Specifically:
1. According to the 2000 Census, the public transit agency serves an urbanized area (UZA) of less than 500,000 population.
 2. 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 (UZA)).
 3. The service is purchased from a seller operating fewer than 100 revenue vehicles in annual maximum revenue service, 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 (2005) and determine that statistical sampling was conducted and meets the 95% confidence and $\pm 10\%$ precision requirements.

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

- j. Obtain a description of the sampling procedure for estimation of passenger mile 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 passenger mile 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 passenger mile 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 vehicle revenue miles (VRM) 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 vehicle revenue miles. Test the arithmetical accuracy of the summarization.
- If actual vehicle revenue miles (VRM) 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 vehicle revenue miles (VRM) 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 vehicle revenue miles (VRM) and determine that locomotive miles are not included in the computation.
- o. If fixed guideway directional route miles (FG 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) in that the service is:
- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or
 - Bus (MB) 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.

Exhibit 27 — Federal Funding Allocation Data Review — Suggested Procedures

- p. Discuss the measurement of fixed guideway directional route miles (FG DRM) with the person reporting the NTD data and determine that the mileage is computed in accordance with FTA's definitions of fixed guideway (FG) and directional route miles. Inquire whether there were service changes during the year that resulted in an increase or decrease in directional route miles (DRM). If a service change resulted in a change in overall directional route mileage (DRM), re-compute the average monthly directional route miles (DRM), and reconcile the total to the fixed guideway directional route miles (FG DRM) reported on the Federal Funding Allocation Statistics form (FFA-10).

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 fixed guideway (FG) segment(s), the following apply:

- Directional route miles (DRM) 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 Fixed Guideway Segments form (S-20) 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 fixed guideway segment(s) directional route miles (DRM) lasting more than 12 months, the transit agency should contact their validation analyst to discuss. FTA will make a determination on how the directional route miles (DRM) should be reported.
- q. Measure fixed guideway directional route miles (FG DRM) from maps or by retracing route.
- r. Discuss with the person reporting the NTD data whether other public transit agencies operate service over the same fixed guideway (FG) as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency(ies) such that the directional route miles (DRM) for the segment of fixed guideway (FG) are reported only once to the NTD on the Federal Funding Allocation Statistics form (FFA-10). Each transit agency should report the actual vehicle revenue miles (VRM), passenger miles and operating expense (OE) for the service operated over the same fixed guideway.
- s. Review the Fixed Guideway Segments form (S-20). Discuss the commencement date of revenue service for each fixed guideway (FG) segment with the person reporting the NTD data and determine that the date is reported as when revenue service began. This is the opening date of revenue service, even though the transit agency may not have been the original operator. Review the form in Internet Reporting and determine that the information has been properly entered. There should be a date for segments put into revenue service on or after September 30, 1999. If the segments opened earlier, the date may be left blank indicating segments older than seven years. However, if a date was entered in the prior report year, it should not be removed. Segments are summarized by like characteristics. Note that for apportionment purposes under the Capital Program for Fixed Guideway Modernization, the 7-year age requirement for fixed guideway 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.
- t. Compare operating expenses with audited financial data, after reconciling items are removed.
- u. If the transit agency purchases transportation services, interview the personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenues. The purchased transportation (PT) fare revenues should equal the amount reported on the Contractual Relationship form (B-30).
- v. If the transit agency's report contains data for purchased transportation (PT) services and assurances of the data for those services is not included, obtain a copy of the Independent Auditor Statement for Federal Funding Allocation data of the purchased transportation (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 purchased transportation (PT) data.
- w. If the transit agency purchases transportation (PT) services, obtain a copy of the purchased transportation (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 is the same as, or a portion of, the period covered by the transit agency's NTD report; and (4) is signed by representatives of both parties to the contract. 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.
- x. If the transit agency provides service in more than one urbanized area (UZA), or between an urbanized area (UZA) and a non-urbanized area (non-UZA), inquire of the person responsible for maintaining the NTD data regarding the procedures for allocation of statistics between urbanized areas (UZA) and non-urbanized areas (non-UZA). Effective with the 2007 report year, limited to the non-UZA data should appear only in the NTD Rural Report. Obtain and review the fixed guideway (FG) segment worksheets, route maps and urbanized area (UZA) boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.
- y. Compare the data reported on the Federal Funding Allocation Statistics form (FFA-10) to comparable data for the prior report year and calculate the percentage change from the prior year to the current year. For actual vehicle revenue mile (VRM), passenger mile or operating expense (OE) data that have increased or decreased by more than 10%, or fixed guideway directional route mile (FG DRM) data that have increased or decreased by more than 1%, 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

Exhibit 27 — Federal Funding Allocation Data Review — Suggested Procedures

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.

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. It is not a requirement that a transit agency use these formats; however, the Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA) 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 [Capital Program](#) for Fixed Guideway Modernization allocations meet FTA standards. FTA provides a suggested list of procedures for the independent auditor to conduct in his / her review.

During the validation process if revisions are made to the Federal Funding Allocation Statistics form (FFA-10), 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 Independent Auditor Statement for Federal Funding Allocation Data (IAS - FFA). When submitting a revised report, Internet Reporting will prompt the transit agency to confirm that the chief executive officer (CEO) certifies the revisions to the report and that the independent auditor has reviewed and concurred with the revisions.

Example 33 — Independent Auditor Statement for Federal Funding Allocation Data — Suggested Format

The IAS-FFA file copy should be on
Independent Auditor's letterhead.

This IAS-FFA should be kept on file by
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 vehicle revenue miles (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 Federal Funding Allocation Statistics form (FFA-10) for the fiscal year ending **[date]**. Such procedures, which were agreed to and specified by FTA in the Declarations section of the 2007 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 Federal Funding Allocation Statistics form (FFA-10) 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 2007 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 vehicle revenue miles (VRM), fixed guideway directional route miles (FG DRM), passenger miles and operating expenses (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 Federal Funding Allocation Statistics form (FFA-10) for the fiscal year ending **[date]** is presented fairly, in all material respects, 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 2007 Reporting Manual.

Signed:

Date:

Title:

City