

**Background for Performing "Financial Data Reviews" Under the 2018 NTD Policy Manual  
for Full Reporters and 2018 NTD Reduced Reporter Policy Manual and Related  
Illustrative Agreed-Upon Procedures Reports  
Issuance Date: October 11, 2018**

Transit agencies are required to annually report certain information to the Department of Transportation (DOT) Federal Transit Administration (FTA) National Transit Database (NTD). In April 2018, the FTA reminded transit agencies of updated NTD reporting requirements and related auditor reporting for the 2018 NTD Report Year. The communication highlighted the following two changes:

- A "financial data review" as described in the "Declarations and Requests" section of the current NTD Policy Manual must be completed every ten report (fiscal) years and agencies should schedule the review by an independent auditor as soon as possible following the agencies' 2018 fiscal year end (assuming such an engagement was not performed in the last ten years).
- The financial data review now applies to Reduced Reporters in addition to Full Reporters.

While the NTD Policy Manual for Full Reporters has historically required a financial data review requirement for new accounting systems or for significant system changes, the engagements have not been performed on a regular basis. Additionally, there was no previous requirement for a financial data review for Reduced Reporters. Therefore, the FTA communication generated questions by both transit agencies and their auditors, primarily due to a lack of clarity surrounding the auditor requirements and the illustrative auditor report provided by FTA in the 2018 NTD Policy Manuals for Full Reporters and Reduced Reporters.

The AICPA Governmental Audit Quality Center (GAQC) reviewed the illustrative auditor report for this engagement included in both 2018 NTD policy manuals and noted that the illustrations do not meet AICPA professional standards for either an examination, a review, or an agreed-upon procedures (AUP) engagement. Therefore, representatives of the GAQC met with FTA staff to clarify the intended objective of the financial data review engagement and to discuss reporting approaches that could be used to achieve the FTA objectives.

FTA has agreed to accept an AUP engagement performed under the AICPA's Statements on Standards for Attestation Engagements, section AT-C 215, Agreed Upon Procedures Engagements, as an alternative to the illustrative financial data review reports included in the NTD policy manuals. The attachment to this guidance document includes the illustrative AUP reports that were developed. FTA has reviewed and agreed with the management assertion and the suggested agreed-upon procedures included in these illustrative reports. Therefore, FTA is considered a specified party to the AUP engagement.

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STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

JAMES H. TROGDON, III  
SECRETARY

MEMORANDUM

TO: Guilford County, Transportation Director

FROM: Myra Freeman, Finance Manager

DATE: November 15, 2018

SUBJECT: FY2019 Rural Operating Assistance Program (ROAP)

The North Carolina Department of Transportation (NCDOT), Public Transportation Division (PTD) has disbursed the Rural Operating Assistance Program (ROAP) funds to Guilford County. The period of performance for eligible program costs is July 1, 2018 – June 30, 2019. The following funds are awarded to Guilford County for each individual ROAP program as indicated:

**FY2019 Formula ROAP 2nd Disbursement 2nd Qtr.**

EDTAP	EMPLOYMENT	RGP	TOTAL FORMULA DISBURSEMENT
\$51,274.75	\$28,778.75	\$23,056.25	\$103,109.75

The FY2019 allocations were recalculated to correct formula errors after the application package was released resulting in changes to allocations in each category of funding.

Adjustments for unspent funds from FY2018 and/or penalties incurred due to late reporting may be shown as negative amounts in the table above.

The disbursement amounts listed above represent 2nd disbursement of total approved funds for the formula allocations for each program – Elderly and Disabled Transportation Assistance Program (EDTAP), Employment Transportation Program and Rural General Public (RGP). **It is the responsibility of the County to comply with the provisions of the ROAP guidelines and to ensure that the receipt, expenditure, and any sub-allocation of funds are tracked for each individual ROAP program.** Please refer to the program guidance in the FY2019 ROAP application package for eligible transportation assistance expenses and reporting requirements. ROAP program funds must be expended on eligible transportation operating expenses, as identified in the FY 2019 application.

**Rural General Public (RGP)** funds have a 10% local matching requirement. RGP funds may be used to provide up to, but not to exceed, ninety-percent (90%) of the fully allocated cost of each

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