



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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Mary Mosiman, CPA
Auditor of State

NEWS RELEASE

FOR RELEASE _____ August 31, 2016 _____

Contact: Andy Nielsen
515/281-5834

Auditor of State Mary Mosiman today released an agreed-upon procedures report for the Heart of Iowa Regional Transit Agency relating to the Boone County Transportation, Inc. for the years ended June 30, 2014 and June 30, 2015. The agreed-upon procedures also covered certain items applicable to the year ended June 30, 2016. The agreed-upon procedures engagement was performed at the request of the Heart of Iowa Regional Transit Agency.

Mosiman recommended Boone County Transportation, Inc. strengthen controls over receipts, develop written accounting policies and procedures, and provide greater oversight over financial reporting.

A copy of the agreed-upon procedures report is available for review at the Heart of Iowa Regional Transit Agency Office, in the Office of Auditor of State and on the Auditor of State's web site at <https://auditor.iowa.gov/reports/1514-2402-BC00>.

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HEART OF IOWA REGIONAL TRANSIT AGENCY

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE YEARS ENDED
JUNE 30, 2014 AND JUNE 30, 2015**

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Heart of Iowa Regional Transit Agency



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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Members of the Heart of Iowa Regional Transit Agency:

At your request and in accordance with Chapter 11.24 of the Code of Iowa, we have performed an agreed-upon procedures engagement to assist you in addressing certain issues related to Boone County Transportation, Inc. (BCT), a contractor of the Heart of Iowa Regional Transit Agency (HIRTA) to whom you allocate State and Federal dollars to provide transit services. We have applied certain procedures to selected accounting records and related information of Boone County Transportation, Inc. for the years ended June 30, 2014 and June 30, 2015. We also performed procedures for certain items for year ended June 30, 2016. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Heart of Iowa Regional Transit Authority. Consequently, we make no representations regarding the sufficiency of the procedures described below.

The procedures performed are summarized as follows:

- We reviewed the audit working papers of Houston & Seeman, P.C. for the years ended June 30, 2014 and June 2015, to determine the information available to address the issues related to Boone County Transportation, Inc.'s ability to continue to meet the terms of its contract with HIRTA. We reviewed documentation of non-audit services provided to HIRTA by Houston & Seeman, P.C. and the resolution of threats, if any, posed by non-audit services performed.
- We reviewed BCT's accounts payable and accounts receivable balances for overall reasonableness. In addition, we reviewed large outstanding balances owed to certain vendors, specifically the amounts owed to BCT's CPA firm, Houston and Seeman, P.C. and its maintenance facility, Moffitts Ford.
- We verified whether State Transit Administration (STA) and Federal Transit Administration (FTA) funds passed through HIRTA to BCT are being used and tracked appropriately.
- We reviewed driver salaries for reasonableness with service hours reported for the number of trips driven.
- We reviewed quarterly reports of route schedules submitted by BCT to identify variances from Routematch, HIRTA's scheduling software.
- We compared financial reports generated with QuickBooks to quarterly reports submitted by BCT to HIRTA and obtained explanations for variances between the financial statements and submitted reports.
- We reviewed BCT's inclusion of capital assets and the related depreciation of HIRTA owned vehicles and on the City owned building.

Based on the performance of the procedures described above, we identified various recommendations. Our recommendations are described in the Detailed Recommendations and Recommended Control Procedures sections of this report. Unless reported in the Detailed Recommendations and Recommended Control Procedures sections of this report, items of non-compliance were not noted during the performance of the specific procedures listed above.

These agreed-upon procedures do not constitute an audit of the financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Had we performed additional procedures, or had we performed an audit, additional matters might have come to our attention that would have been reported to you.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the Heart of Iowa Regional Transit Agency and other parties to whom the Heart of Iowa Regional Transit Agency may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Heart of Iowa Regional Transit Agency and Boone County Transportation, Inc. during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


MARY MOSIMAN, CPA
Auditor of State

August 22, 2016

Background Information

Boone County Transportation, Inc. (BCT) is a contractor of the Heart of Iowa Regional Transit Agency (HIRTA). BCT is a private, non-profit, Iowa based organization incorporated in 1977 to provide transportation services for the Boone County general public community. BCT has 24 employees, and is governed by the local BCT Board of Directors. Boone County residents call BCT and request specific locations where they want to be transported. BCT will then provide door-to-door transportation services for the resident to anywhere in Boone County, Ames, Des Moines and other locations in central Iowa. The fare prices vary depending mainly upon the location and funding.

Houston & Seeman, P.C. (CPA Firm) performs BCT's annual financial statement audit. In addition, the CPA Firm performs various non-audit services for BCT outlined in its engagement letter. These non-audit services include the preparation of BCT's Federal Form 990 tax return, financial statements, journal entries other than proposed audit entries and a depreciation schedule. In addition, the CPA Firm assists BCT with payroll computations, assists with the preparation of required state and federal payroll reports and consults on QuickBooks as needed.

BCT submits its audited annual financial statements to HIRTA. During HIRTA's review of the audited financial statements for the years ended June 30, 2014 and June 30, 2015, HIRTA noted the following:

- Accounts receivable decreased \$6,756 while accounts payable increased \$45,155 from June 30, 2014 to June 30, 2015. From June 30, 2013 to June 30, 2014 accounts receivable increased \$1,405 while accounts payable increased \$15,239.
- The accounts payable balance at June 30, 2015 included approximately \$23,000 owed to Houston & Seeman, P.C. HIRTA raised a concern of a potential conflict of interest between the CPA Firm and BCT due to the CPA Firm providing ongoing accounting services and the existence of the outstanding account payable balance.
- The financial statements included capital assets and depreciation on vehicles owned by HIRTA.
- The audited financial statements indicated a decrease in net assets of \$67,369 while profit and loss reports provided to HIRTA by BCT reported a decrease of \$66,823. In addition, the Notes to the Financial Statements did not disclose a going concern issue, even though net assets decreased \$52,994 and \$67,369 for the fiscal years ended June 30, 2014 and June 30, 2015, respectively.

BCT is required to submit a quarterly revenue and expense report to HIRTA which includes vehicle and trip data and revenue and cost data.

Routematch is a HIRTA owned system which is used by its contractors to schedule and track vehicle and trip data of HIRTA owned vehicles. Contractors use the data from Routematch to prepare the quarterly vehicle and trip data, in excel format, which is required to be submitted to HIRTA as part of required quarterly reporting. The information is subsequently forwarded to the Iowa Department of Transportation (IDOT). The IDOT utilizes the information submitted to calculate the amount of state and federal funding HIRTA receives.

The vehicle and trip data from Routematch should match the vehicle and trip data submitted on the quarterly vehicle and trip data report. HIRTA identified variances between the vehicle and trip data in Routematch and the quarterly reports submitted by BCT. The amounts reported on the submitted quarterly reports were higher than the amounts reported in Routematch.

BCT utilizes QuickBooks to process its financial transactions. The revenue and cost data for the quarterly report is prepared utilizing the profit and loss report from BCT's QuickBooks records. In addition to the quarterly report, BCT submits quarterly account receivable and account payable summaries to HIRTA.

HIRTA began to have concerns with the accuracy of BCT's accounting records due to variances between the quarterly profit and loss reports from QuickBooks and the quarterly revenue and cost data reports submitted by BCT to HIRTA. This led HIRTA to review BCT's submitted quarterly information and audited financial statements. This review performed by HIRTA led to additional areas of concern. Driver salaries did not appear reasonable based on service hours and number of trips recorded in Routematch and the possible improper use of Federal Transit Administration (FTA) and State Transit Administration (STA) funds which were passed through HIRTA to BCT.

HIRTA contacted the Office of Auditor of State on March 7, 2016 requesting assistance regarding these concerns. As a result of the concerns identified, the Office of Auditor of State performed the procedures detailed in the Auditor of State's report for the years ended June 30, 2014 and June 30, 2015.

Detailed Findings

Audit Disclosures and Services provided by Houston & Seeman, P.C.

Houston & Seeman, P.C. workpapers documented the BCT's management plan to address the on-going concern issues by increasing fund raising and perform only maintenance deemed critical on vehicles and, accordingly, did not include a going concern disclosure in the audit reports.

BCT received a \$22,268 grant from the Leonard A. Good Trust during the year ended June 30, 2016 which was used to pay a portion of the outstanding Moffitts Ford balance, BCT's maintenance facility. This was a substantial increase from previous grants received. During the year ended June 30, 2015, BCT received a grant of \$9,080 for repairs to its security system and a bus engine. In the year ended June 30, 2013, BCT received a grant of \$4,736 to purchase five computer work stations.

Per a review of invoices provided, the primary non-audit services performed by Houston & Seeman, P.C. during the year ended June 30, 2016 were the preparation of payroll and quarterly state and federal payroll tax reports. Prior to the year ended June 30, 2016, Houston & Seeman, P.C. also provided non-audit services consisting of assistance with monthly bank to general ledger reconciliations, preparation of financial statements and proposed journal entries. The CPA Firm is required to document the safeguards in place to mitigate any independence threats. Per review of the working papers of Houston and Seeman, P.C., non-audit services provided during the years ended June 30, 2015 and 2014 along with the safeguards in place to mitigate any threats were documented in the workpapers

Accounts Payable and Receivable

Accounts payable increased substantially over accounts receivable from June 30, 2014 to June 30, 2015, primarily due to the amounts owed to vendors Houston and Seeman, P.C. and Moffitts Ford.

As discussed previously, Houston and Seeman, P.C. is the CPA Firm which provides annual audit services to BCT as well as non-audit services. Moffitts Ford performs vehicle repair for BCT. The amount owed to these two vendors at March 31, 2016 totaled \$45,765 and accounted for 94% of BCT's outstanding accounts payable balance. The outstanding balances of these two accounts were \$40,583 and \$9,670 at March 31, 2015 and March 31, 2014, respectively.

Of the \$53,762 total account payable balance outstanding at March 31, 2016, Houston and Seeman, P.C. was owed \$25,385. Of the \$25,385, \$18,760 was greater than 90 days old. In addition, \$2,995 of the outstanding accounts payable balance related to services provided to address payroll issues related to a former Director of BCT.

BCT has two accounts with Houston & Seeman, P.C., one for the annual audit and one for non-audit services provided. BCT has a verbal agreement with Houston & Seeman, P.C. to pay \$750 per month towards its outstanding balance. According to the CPA Firm, monthly payments of \$750 have been consistently applied first to the cost of its annual audit. The CPA Firm charges BCT \$85 per pay period to process payroll. The current Director of BCT indicated he is unaware of what other services Houston & Seeman, P.C. is billing BCT. Per review of supporting documentation and discussions with Houston & Seeman, P.C., the monthly billings during the year ended June 30, 2015 and 2016 were primarily for processing BCT's payroll, preparation of quarterly payroll tax forms and assistance with monthly bank to general ledger reconciliations.

Moffitts Ford had an accounts payable balance of \$25,180 at March 31, 2016. Approximately \$10,000 of the outstanding balance is due to current expenses. Per discussion with the Director of BCT, the outstanding accounts payable balance is due to an increase in vehicle repairs. Vehicle repairs have increased due to warranty on vehicles expiring 36 months after purchase or 100,000 miles. All except two of the vehicles are over 4 years old, ranging from 7 years to 13 years. As noted previously, BCT used grant funds of \$22,268 received from the Leonard A. Good Trust during the year ended 2016 to assist in paying the past due balance on the Moffitts Ford account.

Federal Transit Administration (FTA)/State Transit Administration (STA)

HIRTA submits a quarterly Disadvantaged Business Enterprise (DBE) report to the Iowa Department of Transportation (IDOT) based on FTA and STA funding information received from its contractors. BCT does not track STA funds. Although BCT is tracking its FTA funds, the supporting documentation did not reconcile to the reports submitted to HIRTA. While FTA and STA funding received by BCT is not based on the DBE report, the information reported by BCT in the DBE report to HIRTA is not supported. We tested disbursements listed on supporting documents for FTA funds. No unreasonable expenses were noted. Per discussion with BCT personnel, all FTA and STA funds are put in the main checking account and used for regular business expenses. Since BCT is not separately accounting for the funds, we scanned the expenditures listing for unusual vendors, amounts or references. No issues were noted.

Driver Salaries

Per discussion with HIRTA personnel, they were not aware of an industry standard related to service hours and number of trips performed in which to compare BCT driver salaries. Accordingly, we could not determine the reasonableness of driver salaries.

Scheduling Software

Routematch is software used by BCT for tracking scheduling. This software is hosted by HIRTA. Per discussion with HIRTA personnel, the quarterly reports ran from Routematch should match quarterly vehicle and trip data submitted by BCT to HIRTA, however, most of the time these reports do not properly match. See Appendix A for the March 31, 2016 quarterly vehicle and trip data submitted by BCT to HIRTA. Per discussion with the BCT Director and Assistant Director, there are various reasons why the reports do not match.

BCT personnel stated “dummy” trips are set up for Rangers every morning to test whether the communication between vehicle and dispatch are working. These “dummy” trips are removed from the quarterly reports. We asked BCT personnel why they do not remove these trips directly in Routematch. BCT personnel stated it is easier to make the adjustments in excel. BCT personnel did not provide any documentation of dummy trips established which created variances requiring adjustments to be made.

BCT personnel also stated the reports do not match because Routematch guests and attendants do not calculate in the software correctly. BCT personnel stated after HIRTA upgraded its version of Routematch, BCT personnel noted quite a few attendants and guest counts which were not being accounted for within Routematch. Per BCT personnel, dispatch builds a trip with the known number of guests and attendants. Occasionally dispatch needs to change, update or move this trip while the trip is being performed. BCT personnel noticed during verification of these adjustments the guest and attendant counts were being lost. BCT personnel stated they discussed this issue with their dispatchers. BCT dispatchers informed the BCT Director when a dispatcher changes a live trip in Routematch, for some unknown reason, the changes to guests and attendant counts disappears. BCT personnel stated this issue was also discussed with Routematch; however, per BCT personnel, it has not received any guidance or answers. BCT personnel were unable to provide supporting documentation of communication between BCT and Routematch.

BCT personnel stated adjustments are required from Routematch data when completing the quarterly reports as not all funding sources calculate correctly in Routematch. When we asked BCT personnel why the funding sources do not calculate correctly, BCT personnel stated they do not know why. No documentation was maintained or provided on specific funding sources which were not calculating correctly within Routematch. BCT personnel stated they have contacted Routematch regarding this issue, but have not received an answer. BCT personnel stated they have emails documenting communication with Routematch, but most of the communication was done over the phone. No emails were provided to the Office of Auditor of State (AOS).

Per information obtained from HIRTA personnel, there was no contact between BCT and Routematch regarding issues with funding sources or guest and attendant trips. AOS reviewed the listing of all topics of communication from August 2015 through May 2016 between BCT and Routematch obtained from HIRTA. There was no documentation of communication regarding incorrect funding sources or problems with guest and attendant counts.

Financial Reporting

BCT is required to submit a quarterly profit and loss report generated from QuickBooks and a quarterly revenue and cost data report to HIRTA. In addition, BCT prepared monthly revenue and cost data reports based on monthly profit and loss reports generated from QuickBooks which were used internally by BCT. Beginning in 2016, BCT began submitting the monthly profit and loss reports to HIRTA. HIRTA personnel noted several differences between the monthly revenue and cost data reports used internally by BCT and the quarterly revenue and cost data reports during their review.

We reviewed the reports submitted to HIRTA for the quarter ended March 31, 2016, the most recently closed quarter. See Appendix B for the revenue and cost data report for quarter ended March 31, 2016. The \$40,411 shown in the final column of the report is the total net income from all funding sources. The combined monthly profit and loss report from QuickBooks indicated a net income of \$39,217, a variance of \$1,194. In addition, a variance in net income of \$789 existed between the combined monthly profit and loss reports and the quarterly profit and loss report generated by QuickBooks. These two variances combined total \$1,983.

	Combined monthly profit and loss reports	Variance between profit and loss combined monthly reports and submitted quarterly revenue and cost data report	Quarterly revenue and cost data report submitted to HIRTA
Profit and loss report from QuickBooks	\$ 39,217	789	38,428
Revenue and cost data report submitted to HIRTA	40,411	-	40,411
Variiances	\$ (1,194)	(789)	(1,983)

BCT provided the following explanation for the \$789 variance.

Reconciliation between combined monthly profit and loss reports and quarterly profit and loss report	
Direct public support income	\$ (169)
Donations income	167
Flow thru from HIRTA: FTA income	(149)
Vehicle insurance expense	149
Vehicle repairs and maintenance expense	174
Operations expense	14
Payroll expense	(817)
Executive bonus expense	(158)
Total reconciling items	<u>\$ (789)</u>

\$169 represents changes for direct public support income made in QuickBooks after the January 2016 monthly revenue and cost data report had been prepared by BCT. The adjustment is due to customers either not paying their bill or not paying the entire amount due. BCT voided the invoices, and wrote off the accounts as BCT personnel thought they would not receive the funds.

\$167 is due to increases in donation income between the monthly and quarterly reports. An adjustment was made to the amount received from United Way of Boone County, due to additional funds being received after the January 2016 monthly revenue and cost data report had been prepared.

FTA income of \$149 was removed from the quarterly revenue and cost data report as it was never actually received.

\$149 of the variance is due to vehicle insurance expense. HIRTA relocated two of the buses in the BCT fleet at the end of January 2016. This resulted in a change in the amount paid for vehicle insurance to HIRTA. BCT attempted to calculate this change when preparing the February 2016 monthly profit and loss report. BCT miscalculated the amount it would pay by \$149. The vehicle expense was removed from the quarterly revenue and cost data report as it was never actually paid.

\$174 of the variance is due to vehicle repair and maintenance. Per discussion with the BCT Assistant Director, this variance may be due to BCT accidentally recording invoices received from vendors for other counties. BCT did not provide supporting documentation for verification. Per the BCT Assistant Director, the amount of vehicle repair and maintenance expense on the quarterly revenue and cost data report is correct.

\$14 of the variance is due to operation expenses. Mobile device computers are used in the buses by BCT. Verizon charges BCT for this service. Per discussion with BCT, this amount is paid FTA funds. HIRTA relocated two of the buses from the BCT's fleet. The monthly amount owed by BCT for the mobile device computers decreased \$14 from \$105 per month to \$91 per month. On the February 2016 monthly profit and loss report, BCT recorded this expense at the prior amount of \$105. This was corrected by BCT prior to preparation of the quarterly revenue and cost data report.

\$817 of the variance is due to payroll expenses. Per BCT, this is due to payroll journal entries made after the monthly revenue and cost data report had been prepared. BCT did not provide supporting documentation for verification.

\$158 of the variance is due to executive bonus expense. This expense is related to retirement funds. Per BCT personnel, the amount was incorrectly recorded on the February 2016 profit and loss report. It was corrected after the February 2016 profit and loss statement was prepared, but prior to the preparation of the quarterly revenue and cost data report. BCT did not have supporting documentation to support this information.

BCT provided the following explanation for the \$1,194 variance.

Reconciliation between monthly profit and loss reports and monthly revenue and cost data reports			
	January 2016 Monthly Net Income	February 2016 Monthly Net Income	March 2016 Monthly Net Income
Monthly revenue and cost data report	\$ 8,016	34,031	(1,636)
Reconciling Wheelchair Return/Deliverables per BCT			
Delivery/wheelchair Return	(30)	(90)	(70)
Delivery/wheelchair Return	30	90	70
Timing Difference Reconciling Items per BCT			
S.L. Moore Charitable Foundation	6,000	(6,000)	
HIRTA vehicle insurance		(1,345)	1,340
HIRTA vehicle insurance			5
Total reconciling items	6,000	(7,345)	1,345
Combine monthly and quarterly revenue and cost data net income with reconciling items	14,016	26,686	(291)
Monthly net income from profit and loss report	14,018	26,686	(1,487)
Unexplained variance	\$ (2)	0	1,196

BCT personnel stated the monthly revenue and cost data report does not include revenue and expenses related to deliveries and wheelchair returns. Per discussion with the HIRTA Executive Director and Operations Manager, BCT should be recording the revenue and expenses related to deliveries and wheel chair returns on the monthly revenue and cost data reports as well as their submitted quarterly reports even though the revenue and expenses related to the wheelchair returns and deliverables will net out and not affect total net income.

BCT personnel stated the variance is also due to timing differences between when transactions were recorded in QuickBooks compared to when the transactions were recorded on the monthly revenue and cost data reports. This does not properly explain the variance between the monthly revenue and cost data report and the monthly profit and loss report as these variances net out between months as shown above. We were unable to determine the cause of the \$1,194 between the combined monthly revenue and cost data reports and the monthly profit and loss reports based on discussions with BCT personnel and review of supporting documentation provided by BCT personnel.

Capital Assets

Based on discussions with BCT personnel, vehicles listed on its capital asset listing are recorded at the amount of local match provided by BCT to HIRTA for the purchase of HIRTA owned vehicles. These vehicles are depreciated over a 5 year period. Per discussion with HIRTA personnel, BCT told HIRTA funds received from the Leonard A. Good Trust Grant were going to be used to pay the local match portion. The grant agreement for the Leonard A. Good Trust Grant provided by BCT indicated the grant funds were provided for other uses not related to the purchase of the vehicles. We were unable to determine if grant funds received were used toward the local match provided for the purchase of the vehicles.

The portion of local match funds BCT contributed to the purchase of the vehicles are allowed to be capitalized and are depreciable by BCT. The last vehicles purchased with funds provided by BCT were purchased in 2012.

The total of local match contributed by BCT for HIRTA owned vehicles on the capital asset listing was \$92,859. The total cost of vehicles per HIRTA records for funds contributed by BCT for local match totaled \$86,573. BCT was unable to provide documentation to support its calculation of local match BCT contributed toward the purchase of the HIRTA owned vehicles. Based on information provided by HIRTA, it appears BCT overstated the total cost by \$6,286. The total annual depreciation expense to be reported based on the depreciation schedule cost is \$18,571 while the total depreciation expense to be reported based on the HIRTA cost calculation is \$17,315. This resulted in an overstatement of reported depreciation expense of \$1,256 annually in BCT's financial statements.

The annual audited financial statements also reported a building located on City property with a cost and accumulated depreciation of \$234,658 and \$169,730, respectively. Per discussion with BCT personnel, the building was built and is currently being maintained by BCT. The land on which the building is located is leased from the City of Boone by BCT.

Recommended Control Procedures

As part of our agreed upon procedures, we reviewed the procedures used by the Boone County Transportation, Inc. to perform bank reconciliations, process receipts and disbursements and financial reporting. An important aspect of internal control is to establish procedures which provide accountability for assets susceptible to loss from errors and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be identified within a reasonable time during the course of normal operations. Based on our findings, the following recommendations are made to strengthen BCT's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among members to prevent an individual from handling duties which are incompatible. BCT's Assistant Director and Director had control over receipts. The duties of collecting, posting receipts to accounting records and preparing and making deposits to BCT's checking account are not properly segregated.

Recommendation – We realize segregation of duties is difficult with a limited number of individuals involved. However, the duties within each function listed above should be segregated between the Director, Assistant Director, and other BCT employees. In addition, BCT officials should review financial records, perform reconciliations and examine supporting documentation for financial transactions on a periodic basis.

- B. Policies and Procedures – BCT has not developed formal written accounting policies and procedures.

Recommendation – BCT should develop a formal written accounting policies and procedures manual which would:

- (1) Aid in training additional or replacement staff.
- (2) Help achieve uniformity in accounting and in the application of policies and procedures.
- (3) Save supervisory time by recording decisions so they will not have to be made each time the same, or a similar, situation arises.

- C. Management Oversight – BCT management does not provide oversight over quarterly revenue and cost data reports, quarterly profit and loss reports or the reporting of state and federal funds to ensure the various reports reconcile.

Recommendation - BCT should develop review, documentation and oversight procedures over the quarterly revenue and cost data reports, quarterly profit and loss reports and the reporting of state and federal funding by having an independent employee review and sign the supporting documentation to document the review.

Heart of Iowa Regional Transit Agency

Staff

This agreed upon procedures engagement was performed by:

Deborah J. Moser, CPA, Manager
April D. Harbst, Senior Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large, stylized initial "A".

Andrew E. Nielsen, CPA
Deputy Auditor of State

Heart of Iowa Regional Transit Agency

Appendix

Heart of Iowa Regional Transit Agency

Quarterly Vehicle and Trip Data

Quarter ended March 31, 2016

**Boone County Transportation
QUARTERLY REPORT**

Contract/ Service	Service Type	Other System Counts	Elderly Trips	Disabled Trips	General Public Trips	TOTAL Trips
Aging Resources/ Title IIIB	PT		1,076	1,289	-	2,365
General Public	PT		41	3,438	3,398	6,877
Aging Resources			38	1,041	-	1,079
TMS	PT		8	143	114	265
Aging Resources			8	34	-	42
Des Moines Shuttle	PT		4	32	-	36
Aging Resources			4	14	-	18
Foster Grandparents	PT		46	19	-	65
Aging Resources			46	19	-	65
Ames Shuttle	PT		25	84	2	111
Aging Resources			25	42	-	67
Summer Lunch Program	PT		-	-	-	-
Aging Resources			-	-	-	-
			-	-	-	-
Delivery/WC Return					19	
Volunteer Driver			-	-	-	-
Aging Resources			53	232,647	2,665	-
						-
TOTALS			1,200	5,005	3,514	9,719
Percentage			12.3%	51.5%	36.2%	
Aging Resources Totals			1,250	235,086	2,665	3,636

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Volunteer Miles	Vehicle Miles	Revenue Miles	Deadhead Miles	Revenue Hours
-	9,264	9,084	180	794
-	31,332	30,709	623	2,720
-	2,771	2,713	58	240
-	1,599	1,565	34	94
-	333	324	9	31
-	2,742	2,685	57	223
-	-	-	-	-
-	104	-	-	-
-	-	-	-	-
-	48,145	47,080	961	4,102

Heart of Iowa Regional Transit Agency

Quarterly Revenue and Cost Data

Quarter ended March 31, 2016

Contract/Service	Operating Cost	<i>Other Federal</i>			<i>Other State</i>			<i>Elderly Waiver</i>
		FTA	Special FTA	Contract Revenue	STA	Contract Revenue	County	Waiver Funding
Aging Resources/ Title IIIB	31,652	2,548	-	12,799	3,851	-	10,372	-
General Public	78,951	23,990	-	-	6,079	-	5,308	8,475
Aging Resources	16,236	931	-	-	-	-	227	8,475
TMS	4,692	-	-	-	-	4,429	-	-
Aging Resources	875	-	-	-	-	789	-	-
Des Moines Shuttle	1,417	514	-	-	-	-	-	-
Aging Resources	858	323	-	-	-	-	-	-
Foster Grandparents	615	355	-	-	-	-	-	-
Aging Resources	615	355	-	-	-	-	-	-
Ames Shuttle	1,944	460	-	-	-	-	-	-
Aging Resources	1,173	374	-	-	-	-	-	-
Summer Lunch Program	-	-	-	-	-	-	-	-
Aging Resources	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Delivery/Incidental	190	-	-	-	-	-	-	-
TOTALS	119,461	27,867	-	12,799	9,930	4,429	15,680	8,475
Percentage		17.6%	0.0%	8.1%	6.3%	2.8%	9.9%	5.3%
Aging Resources Totals	51,409	4,531	-	12,799	3,851	789	10,599	8,475

<i>Local Public Funds</i>				<i>Program Income</i>			TOTAL Revenue	Operating (Deficit)/ Surplus
Waiver Funding	Local Tax	City	Contract Revenue	Donations	Other Revenue	Passenger Revenue		
-	-	-	-	890	-	-	30,460	(1,192)
24,399	2,500	-	-	33,410	2,037	13,789	119,987	41,036
4,291	-	-	-	1,192	-	2,497	17,613	1,377
-	-	-	-	-	-	-	4,429	(263)
-	-	-	-	-	-	-	789	(86)
-	-	-	-	723	-	180	1,417	0
-	-	-	-	445	-	90	858	0
-	-	-	260	-	-	-	615	0
-	-	-	260	-	-	-	615	0
-	-	-	-	567	-	555	1,582	(362)
-	-	-	-	365	-	335	1,074	(99)
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	190	190	0
24,399	2,500	-	260	35,590	2,037	14,714	158,680	39,219
15.4%	1.6%	0.0%	0.2%	22.4%	1.3%	9.3%	100.0%	
4,291	-	-	260	2,892	-	2,922	51,409	40,411

Heart of Iowa Regional Transit Agency

Profit and Loss Report

Quarter ended March 31, 2016

9:28 AM
04/21/16
Accrual Basis

Boone County Transportation Services
Profit & Loss
January through March 2016

	Jan - Mar 16
Ordinary Income/Expense	
Income	
Direct Public Support	83,991.06
Donations	34,699.85
Flow Thru from HIRTA	
Federal Transit Assistance	27,866.63
State Transit Assistance	9,930.75
Bus Advertising	2,025.00
Total Flow Thru from HIRTA	39,822.38
Investments	12.44
Total Income	158,525.73
Gross Profit	158,525.73
Expense	
Business Expenses	669.13
Contract Services	1,825.00
Employee Benefits	4,508.87
Facilities and Equipment	
Care of Bldgs & Grounds	986.92
Equipment	1,006.88
Office Equipment	57.32
Utilities	2,658.72
Vehicles - Fuel	6,322.33
Vehicles - Insurance	5,768.00
Vehicles - Repairs & Maintenan	12,392.73
Vehicles - Tires	249.38
Total Facilities and Equipment	29,442.28
Medical - DOT Physicals	294.00
Operations	3,026.27
Other Types of Expenses	5,363.73
Payroll Expenses	74,967.03
Total Expense	120,098.31
Net Ordinary Income	38,427.42
Net Income	38,427.42