

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

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**NEWS RELEASE**

FOR RELEASE

August 28, 2020

Contact: Marlys Gaston  
515/281-8314

Auditor of State Rob Sand today released the Auditor of State's Independent Statement for Financial Data (IAS-FD) on the State University of Iowa (University of Iowa) Transit System, Iowa City, Iowa for the year ended June 30, 2019. Transit agencies must submit the IAS-FD with the National Transit Database (NTD) annual report once every ten years. For the IAS-FD, the auditor must review all financial forms to ensure that the transit agency's accounting system follows the Uniform System of Accounts (USOA), uses accrual accounting or a directly translatable method, and all financial data are compliant with the USOA.

**REVIEW FINDINGS:**

Sand reported revenues of \$296,970 recorded to the transit system's general ledger had not been included on the National Transit Database report.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

# # #

**AUDITOR OF STATE'S INDEPENDENT STATEMENT FOR FINANCIAL DATA  
STATE UNIVERSITY OF IOWA TRANSIT SYSTEM**

**JUNE 30, 2019**

**State University of Iowa Transit System**



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Rob Sand  
Auditor of State

August 3, 2020

Board of Regents, State of Iowa  
Urbandale, Iowa

Dear Members of the Board of Regents:

I am pleased to submit to you the Auditor of State's Independent Statement for Financial Data for the State University of Iowa's Transit System for the year ended June 30, 2019. This report includes a finding pertaining to the University transit system's financial data which resulted from the fiscal year 2019 review.

I appreciate the cooperation and courtesy extended by the officials and employees of State University of Iowa throughout the review. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand". The signature is stylized with a large "R" and "S".

Rob Sand  
Auditor of State



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## Auditor of State's Independent Statement for Financial Data

To the Members of the Board of Regents, State of Iowa:

In connection with our regular audit of the financial statements of the State University of Iowa for the fiscal year ended June 30, 2019, on which we have reported separately under December 17, 2019, we have also reviewed the reporting forms for the University's transit system listed below and included in the report for the fiscal year ended June 30, 2019, submitted by the Metropolitan Planning Organization of Johnson County, required under Title 49 U.S.C. 5335(a), for conformity in all material respects with the requirements of the Federal Transit Administration (FTA) as set forth in its applicable National Transit Database (NTD) Uniform System of Accounts (USOA). Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the reporting forms referred to above. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures, either for the purpose for which this report has been requested or for any other purpose. Our review for this purpose included such tests of the accounting records and such other procedures as we considered necessary in the circumstances. We did not make a detailed examination such as would be required to determine that each transaction has been recorded in accordance with the USOA.

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

### **Financial Forms on which audited data are reported:**

Sources of Funds – Funds Earned and Funds Expended form  
Operating Expenses forms

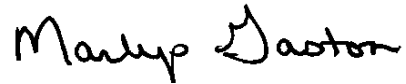
A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express an opinion. We believe our review provides a reasonable basis for our conclusion.

### Basis for Modified Conclusion

That State University of Iowa's transit system's NTD report to the National Transit Database did not include certain revenue recorded in the general ledger.

Based on our review, except for the effects of the matter discussed in the preceding paragraph, we did not become aware of any material modifications that should be made to the reporting forms identified above, submitted for the fiscal year ended June 30, 2019 and previously submitted by the University of Iowa to the NTD and these reports conform in all material respects with the accounting requirements of FTA as set forth in its USOA.

This report is intended solely for the information and use of the management of the Federal Transit Administration and the State University of Iowa and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Marlys K. Gaston". The signature is written in a cursive, flowing style.

Marlys K. Gaston, CPA  
Deputy Auditor of State

August 3, 2020

State University of Iowa Transit System

Finding Related to Review of the IAS-FD

For the fiscal year ended June 30, 2019

National Transit Database Reported Revenue – The State University of Iowa’s transit system’s NTD report to the National Transit Database did not include \$296,970 of revenue recorded in the general ledger. Per discussion with the University transit system employee who prepared the report, he believed that state funding, federal funding and fare box revenues had to be reported and other local funding revenues were only to be reported to the extent that total revenues matched total expenditures.

Recommendation – The State University of Iowa’s transit system should ensure all revenues are identified and properly reported in the transit system’s annual NTD report.

Response – The Manager of the transit system accepts the recommendation of the audit report and understands the clarification of the NTD requirements. All future NTD reports will include all revenues received by the transit system for the applicable reporting year.

Conclusion – Response accepted.

State University of Iowa Transit System

Staff

This review was performed by:

Marlys K. Gaston, CPA, Deputy  
Gwen D. Fangman, CPA, Manager  
Jesse J. Harthan, Senior Auditor II  
David A. Slocum, CPA, Staff Auditor