



Washington State Auditor Brian Sonntag

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

To the Board of Directors and Management of Intercity Transit:

We have performed the procedures described below, which were requested and agreed to by the Federal Transportation Administration (FTA) and the management of Intercity Transit, solely to assist you in evaluating the Transit's compliance with National Transit Database reporting requirements for the period of January 1, 2010 through December 31, 2010. Transit's management is responsible for compliance with these reporting requirements and the records supporting its federal funding allocation data. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal Funding Allocation Data

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 3 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 data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about Transit Agency operations.

We have applied the procedures to the data contained in the accompanying FFA-10 form for the fiscal year ending December 31, 2010. Such procedures, which were agreed to and specified by FTA in the Declarations section of the *2010 Reporting Manual* and were agreed to by the transit agency, were applied to assist you in evaluating whether the transit agency complied with the standards described in the first paragraph of this part and that the information included in the NTD report FFA-10 form for the fiscal year ending December 31, 2010, 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 *2010 Reporting Manual*. 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 travel (PMT), and operating expenses (OE) of Intercity Transit, for the fiscal year ending December 31, 2010, for each of the following modes:

- Motorbus - Directly Operated and Purchased Transportation
- Demand Response - Purchased Transportation
- Vanpool - Directly Operated

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

General

1. Intercity Transit has procedures relating to the systems for collecting, maintain, and reporting data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the *2010 Reporting Manual*. Data is recorded on a continual basis pursuant to these requirements. Intercity Transit personnel believe their 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 *2010 Reporting Manual*.
2. We inquired with the Director of Finance and Administration as to Intercity Transit's retention policy with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics form (FFA-10). We were informed that source documents for vanpool relating to 2007, 2008, 2009 and 2010 have been retained by Intercity Transit. We were informed that source supporting documentation for motor bus is maintained both electronically and hard copy. The information is maintained within the system for approximately one year. Hard copy documents were only maintained for 2010 and current. All source supporting documents for demand response is maintained electronically. All history is maintained within that system; however a backup of that system is only kept for approximately one year.
3. We discussed the related system of internal controls for motorbus, demand response, and vanpool with the Director of Finance and Administration and mode coordinators. For all modes, individuals independent of the individuals preparing source documents and posting of data summaries review the source documents and data summaries for completeness, accuracy and reasonableness. Reviews are performed on a timely basis.

4. We selected a sample of source documents per each mode and determined that the appropriate approval signatures were present as required by the system of internal controls.
5. We obtained worksheets utilized by Intercity Transit to prepare final data, which are transcribed onto the Federal Funding Allocation Statistics Form (FFA-10), and (a) compared the periodic data on the worksheets to periodic summary data of Intercity Transit and (b) tested the mathematical accuracy of the summaries. We noted several minor errors in mathematical accuracy and accumulations of data for vanpool and demand response. All errors were not significant enough to impact the FFA-10 data. These errors were communicated to management.
6. We compared the total Operating Expenditures reported on the 2010 F-40 NTD report to the total reported on the 2010 audited financial statements. We noted there was \$4,139 more expenditures reported on the financial statements than on the F-40 report. This error is not significant enough to impact the FFA-10 data, and was communicated to management.

Motor Bus

1. We reviewed the sampling procedures used for accumulating and recording passenger mile data. All procedures were in compliance with FTA and NTD requirements. Intercity Transit conducts statistical sampling which meets FTA's 95 percent confidence and 10 percent precision requirements in accordance with FTA Circular 2710.1A.
2. We recalculated vehicle revenue miles. No exceptions were noted.
3. We verified the mathematical accuracy of the summarization of the average passenger miles for weekday, Saturday and Sunday. These recalculated amounts were compared to the NTD report, the Transit Agency Non-Rail (S-10) form, for the year ended December 31, 2010. We noted no differences in passenger miles traveled.
4. We randomly selected a sample of 11 days for testing of specific routes and buses. We verified the mathematical accuracy of the summarization of daily, monthly, and annual scheduled vehicle revenue miles and hours. We compared the recalculated annual revenue miles to the NTD report, Transit Agency Service Non-Rail (S-10) form. We verified that Intercity Transit does not provide any charter, school bus or other ineligible vehicle miles, and thus none are included in total revenue miles as calculated. No exceptions were noted during our testing.
5. Intercity Transit does not have any fixed guideways.

Demand Response

1. Vehicle miles for directly operated transportation are based on actual miles traveled. All sources supporting documentation is maintained within the RouteMatch system. Therefore the vehicle revenue miles are automatically calculated based on the information entered into RouteMatch. We selected one month to recalculate based on raw data from the system ensure the system is accurately calculating the information. We noted no exceptions during our review.

2. We verified the mathematical accuracy of the summarization of directly operated services for daily, monthly, and annual passenger miles and revenue miles. We compared and recalculated annual mileage to the NTD report, Transit Agency Service Non-Rail (S-10) form and Federal Funding Allocation Statistics form (FFA-10). We noted several small differences in the accumulation of monthly data reported on the S-10. All errors were not significant enough to impact the FFA-10 data. These errors were communicated with management.
3. Intercity Transit does not purchase transportation services.

Vanpool

1. We haphazardly sampled 11 vanpool groups for a particular month and recalculated the monthly revenue miles for the month selected. We verified the mathematical accuracy of the summarization of monthly and annual revenue miles. We compared the recalculated annual revenue miles to the NTD report, the Transit Agency Service Non-Rail (S-10) and Federal Funding Allocation Statistics form (FFA-10). We noted several small differences in the accumulation of monthly data reported on the S-10. All errors were not significant enough to impact the FFA-10 data. These errors were communicated to management.
2. Passenger miles are based upon actual miles driven for the year. We reviewed the monthly driver log sheets for the vans tested above and recalculated Vehicle Miles, and revenue miles for the months tested. We verified the mathematical accuracy of the summarization of the monthly and annual Vehicle Miles, Vehicle Revenue Miles, and Passenger Miles. We compared the recalculated amount to the NTD report, the Transit Agency Service Non-Rail (S-10) and Federal Funding Allocation Statistics form (FFA-10). We noted no exceptions. We noted several small differences in the accumulation of monthly data reported on the S-10. All errors were not significant enough to impact the FFA-10 data. These errors were communicated to management.

We were not engaged to and did not perform an examination, the objective of which would be to express an opinion on compliance and internal controls over NTD reporting. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of Intercity Transit and the FTA and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



Angela Cady
Audit Manager

November 7, 2011

Line	a	b	c	d	e
Item	Data from Other Forms	Percent of Total	Percent of Total	Percent of Total	Annual Total
01 Urbanized area (UZA) number (to allocate to UZA fill corresponding checkbox in line 02)					
02 Urbanized area (UZA) and Non-UZA reporting method		Non-UZA	UZA 14	UZA 195	
Annual Total					
04 Total actual vehicle revenue hours (VRH)	66,380	0.0%	0.0%	66,380 100.0%	66,380
06 Total unlinked passenger trips (UPT)	152,977	0.0%	0.0%	152,977 100.0%	152,977
Urbanized Area Formula Program					
Non-Fixed Guideway					
13 Actual vehicle revenue miles (VRM)	841,921	0.0%	0.0%	841,921 100.0%	841,921
14 Passenger miles traveled (PMT)	976,980	0.0%	0.0%	976,980 100.0%	976,980
15 Operating expenses (OE)	5,830,989	0.0%	0.0%	5,830,989 100.0%	5,830,989

NTD Internet Reporting - Federal Funding Allocation Statistics (FFA-10)

NTD ID: 0019 Agency Name: Intercity Transit Report: RY 2010 Close Out 7/22/11 Close Out with Issues
 Form Name: Federal Funding Allocation Statistics (FFA-10) Mode: MB Service: DO

Line	a	b	c	d	i
Item	Data from Other Forms	Percent of Total	Percent of Total	Percent of Total	Annual Total
01 Urbanized area (UZA) number (to allocate to UZA fill corresponding checkbox in line 02)					
02 Urbanized area (UZA) and Non-UZA reporting method	a. Actual Vehicle Revenue Miss	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Annual Total			UZA 14	UZA 195	
03 Total actual vehicle revenue miles (VRM)	2,604,577	0.0%	314,839 12.09%	2,289,738 87.91%	2,604,577
04 Total actual vehicle revenue hours (VRH)	193,012	0.0%	23,331 12.09%	169,681 87.91%	193,012
05 Total passenger miles traveled (PMT)	18,169,921	0.0%	2,196,364 12.09%	15,973,557 87.91%	18,169,921
06 Total unlinked passenger trips (UPT)	4,313,015	0.0%	521,353 12.09%	3,791,662 87.91%	4,313,015
07 Total operating expenses (OE)	20,466,991	0.0%	2,474,032 12.09%	17,992,959 87.91%	20,466,991
Urbanized Area Formula Program					
Non-Fixed Guideway					
13 Actual vehicle revenue miles (VRM)		0.0%	314,839 12.09%	2,289,738 87.91%	2,604,577
14 Passenger miles traveled (PMT)		0.0%	2,196,364 12.09%	15,973,557 87.91%	18,169,921
15 Operating expenses (OE)		0.0%	2,474,032 12.09%	17,992,959 87.91%	20,466,991

NTD Internet Reporting - Federal Funding Allocation Statistics (FFA-10)

NTD ID: 0019 Agency Name: Intercity Transit Report: RY 2010 Close Out 7/22/11 :Close Out with Issues
Form Name: Federal Funding Allocation Statistics (FFA-10) Mode: VP Service: DO

Line	a	b	c	d	i
Item	Data from Other Forms	Percent of Total	Percent of Total	Percent of Total	Annual Total
01 Urbanized area (UZA) number (to allocate to UZA fill corresponding checkbox in line 02)					
02 Urbanized area (UZA) and Non-UZA reporting method					
Annual Total					
04 Total actual vehicle revenue hours (VRH)	79,214	0.0%	53,607 67.67%	25,607 32.33%	79,214
06 Total unlinked passenger trips (UPT)	636,090	0.0%	429,769 67.67%	206,301 32.33%	636,090
Urbanized Area Formula Program					
Non-Fixed Guideway					
13 Actual vehicle revenue miles (VRM)	2,972,368	0.0%	2,011,511 67.67%	960,855 32.33%	2,972,368
14 Passenger miles travelled (PMT)	22,391,403	0.0%	15,153,058 67.67%	7,238,305 32.33%	22,391,403
15 Operating expenses (OE)	1,579,199	0.0%	1,068,703 67.67%	510,496 32.33%	1,579,199