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METRO TRANSIT SYSTEM 2009 AUDIT PRESENTATION

Transit and Parking Commission Meeting July 13, 2011

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Audit Overview

- > Transit audit completed in conjunction with City of Madison financial and single audits.
- > Management prepares financial statements and Management's Discussion and Analysis (pages 3-15).
- > Auditors' opinion on financial statements and report on compliance and internal controls (pages 1-2 and 39-40)
- > Transit and Parking Commission Role

Audit Highlights

- > 7% increase in passenger revenues as a result of increased ridership and the approved fare increase.
- > Operating costs increased 2% from 2009. Employee compensation and benefits increased by 4% while materials and supplies decreased by 29% and purchased services increased by 9%.
- > Operating subsidies including federal, state and local municipalities increased 4% during 2010 over 2009.
- > In 2010 Metro decreased its reserves by \$769,309 which is now at just over \$97,000.
- > Metro incurred \$163,150 in new general obligation debt during 2010, spent \$8.7 million on capital assets and decreased the total cash and investments on hand by \$156 thousand.
- > Recommendations and Other Items:
 - Formal process for independent review of journal entries
 - Documentation of year-end financial policies and procedures
- > No internal control deficiencies to report.
- > No single audit findings related to transit grants to report.