



Minnesota Valley Transit Authority

2014 Audit Review

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Reports Issued by Auditor

- Opinion on the Fair Presentation of the Financial Statements
- Report on Internal Controls
- Report on Compliance with Minnesota Legal Compliance Audit Guide for Political Subdivisions
- Communication with Those Charged with Governance
- Federal Compliance Audit (Single Audit)

Opinion on Financial Statements

- What did we do?
 - Audited the financial statements, which are the responsibility of management.
- How did we do it?
 - Audit standards
 - GAAS (AICPA)
 - GAGAS (GAO)
 - Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- What is the result?
 - The financial statements present fairly, in all material respects, the financial position of the Authority in accordance with accounting standards. In other words, a “clean opinion”.

Report on Internal Controls

- What did we do?
 - We gained an understanding of internal controls in place and their effectiveness in order to design our audit procedures for expressing an opinion on the financial statements.
- How did we do it?
 - Obtain understanding of controls on each major class of transaction and account balance.
 - Select a sample of transactions and perform detailed tests to determine adherence to controls in place and effectiveness.
- What is the result?
 - One internal control finding – Audit Adjustments

Minnesota Legal Compliance Report

■ What did we do?

- Followed the audit guide published by the Office of the State Auditor. The guide consists of six sections:
 - Depositories of public funds and investments
 - Conflicts of interest
 - Public Indebtedness
 - Contracting bid laws
 - Claims and disbursements
 - Miscellaneous provisions

■ How did we do it?

- Select sample of transactions to test for compliance with statutory provisions.

■ What is the result?

- One finding on noncompliance – Outstanding Indebtedness Form

Report on Compliance with Federal Program Requirements (Single Audit)

- What did we do?
 - Performed compliance audit of selected federal programs
 - Required when expenditure of federal monies exceed \$500K (\$2.2M expended in 2014)
 - Major federal program for 2014 – Federal Transit Cluster
- How did we do it?
 - Follow standards published by U.S. Government Accountability Office (GAO).
 - Determine programs subject to audit.
 - Fourteen compliance requirements.
 - Select sample of transactions to test for compliance with federal program requirements.
- What is the result?
 - No findings of noncompliance reported for 2014.

Communication With Those Charged With Governance

- Accounting policies used and/or changed by the Authority
- Accounting estimates in the financial statements.
 - Accrued intergovernmental revenue
- No disagreements with management.
- No significant difficulties encountered in performing the audit.
- Other Matters

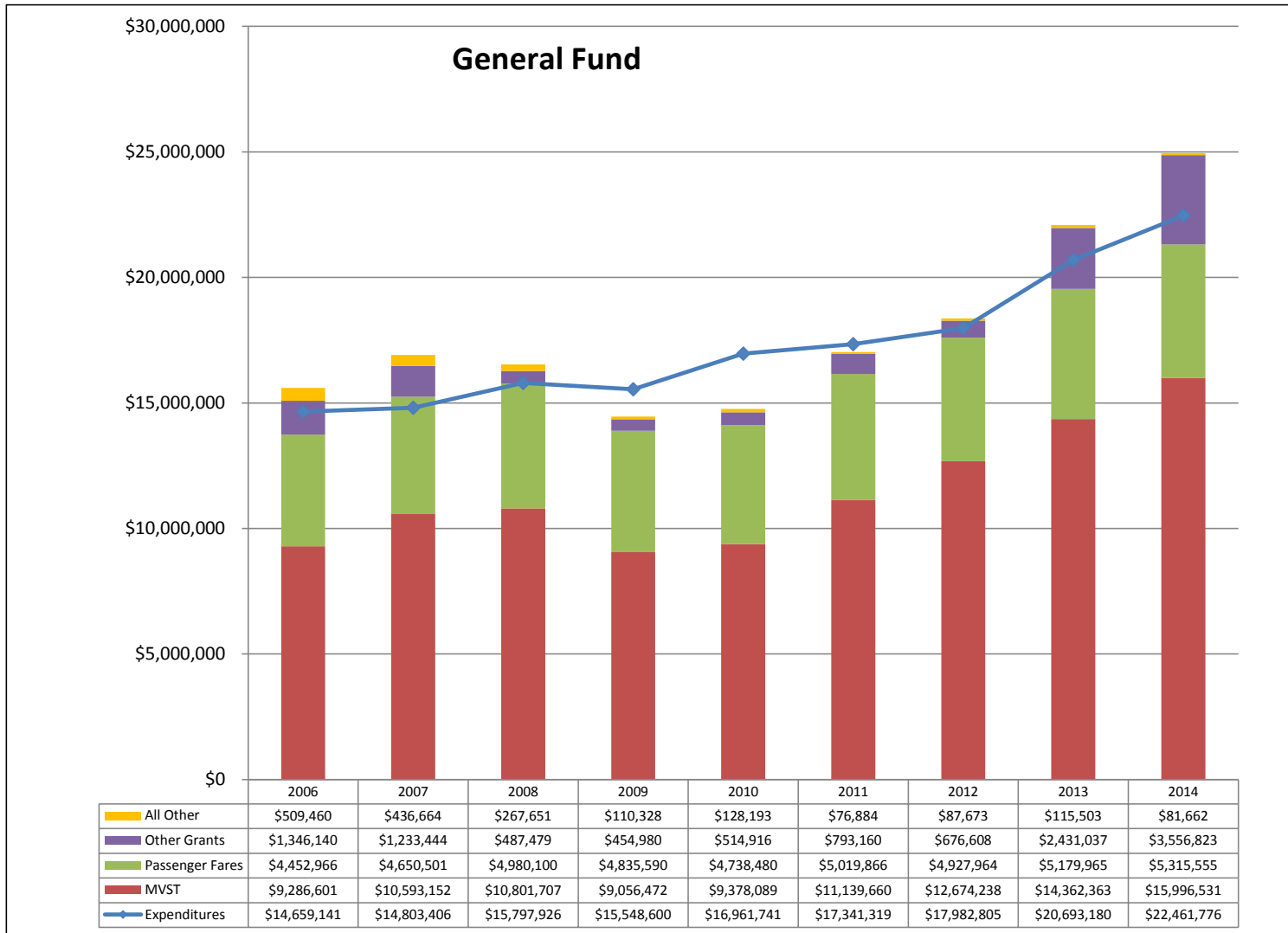
Financial Results

Fund	Revenue	Expenditures	Interfund Transfers	Increase (Decrease) in Fund Balance	Fund Balance 12/31/14
General	\$24,950,571	\$22,461,776	\$62,158	\$2,550,953	\$8,384,067
Capital Project	3,562,638	4,027,950	(62,158)	(527,470)	-
Debt Service	486,242	486,200	-	42	690,959
Total	<u>\$28,999,451</u>	<u>\$26,975,926</u>	<u>\$0</u>	<u>\$2,023,525</u>	<u>\$9,075,026</u>

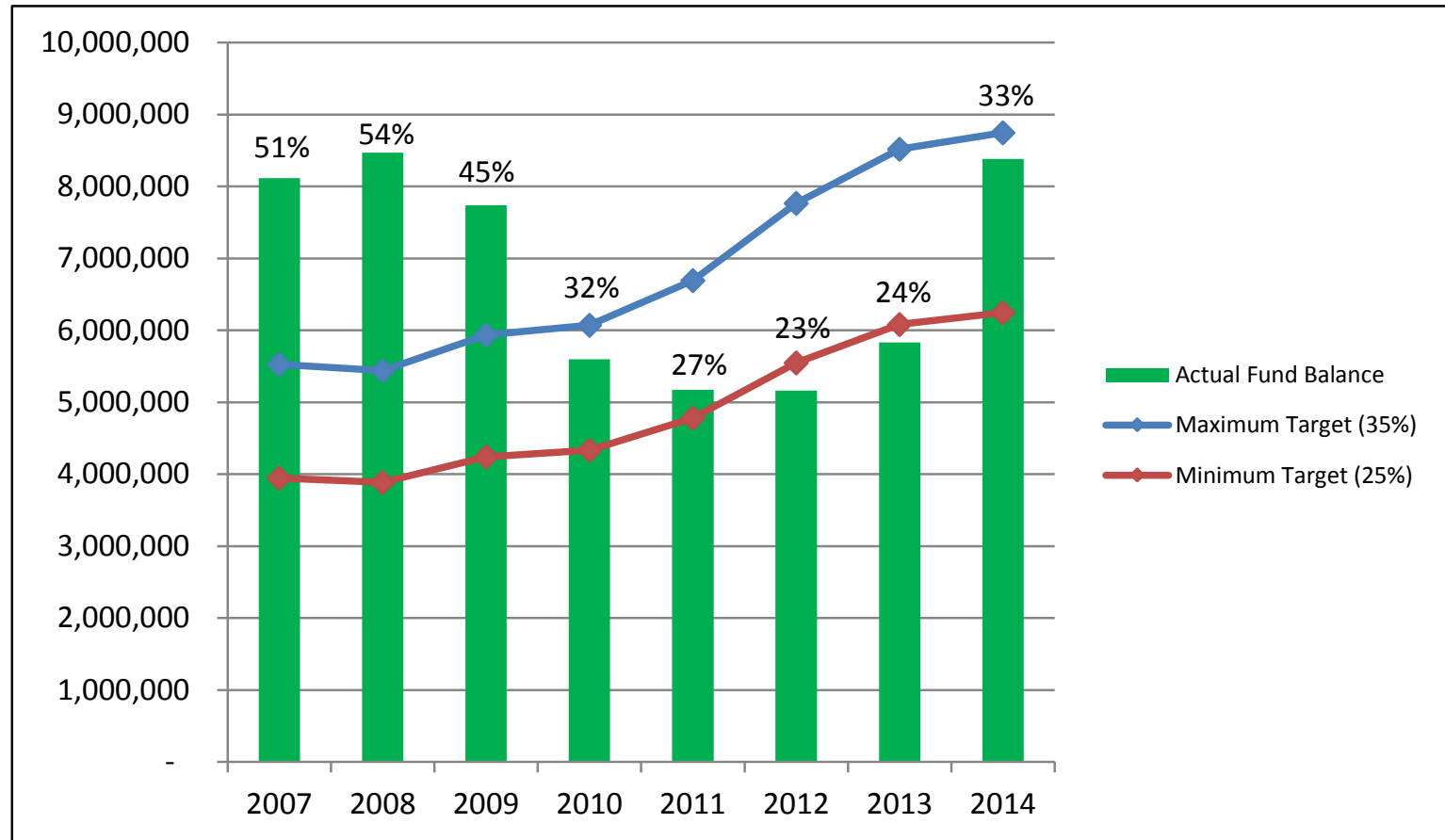
General Fund

	GENERAL FUND		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	\$24,436,743	\$24,950,571	\$513,828
Expenditures	<u>24,338,380</u>	<u>22,461,776</u>	<u>(1,876,604)</u>
Revenues over (under) expenditures	98,363	2,488,795	2,390,432
Transfer out	<u>-</u>	<u>62,158</u>	<u>62,158</u>
Net increase in fund balance	<u><u>98,363</u></u>	2,550,953	<u><u>(\$2,452,590)</u></u>
Fund balance - January 1		<u>5,833,114</u>	
Fund balance - December 31		<u><u>\$8,384,067</u></u>	

General Fund History



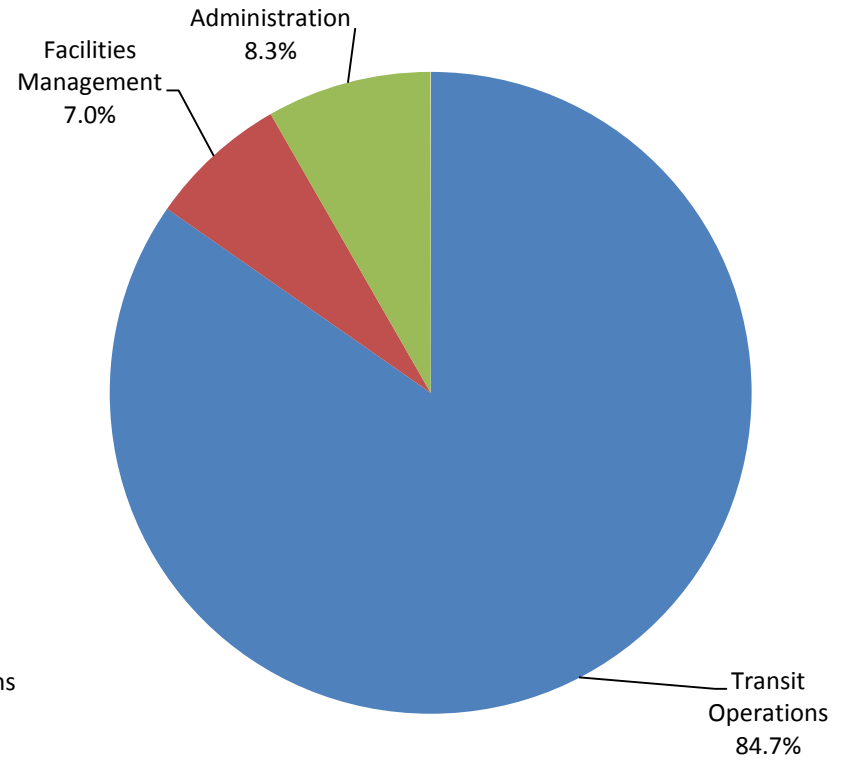
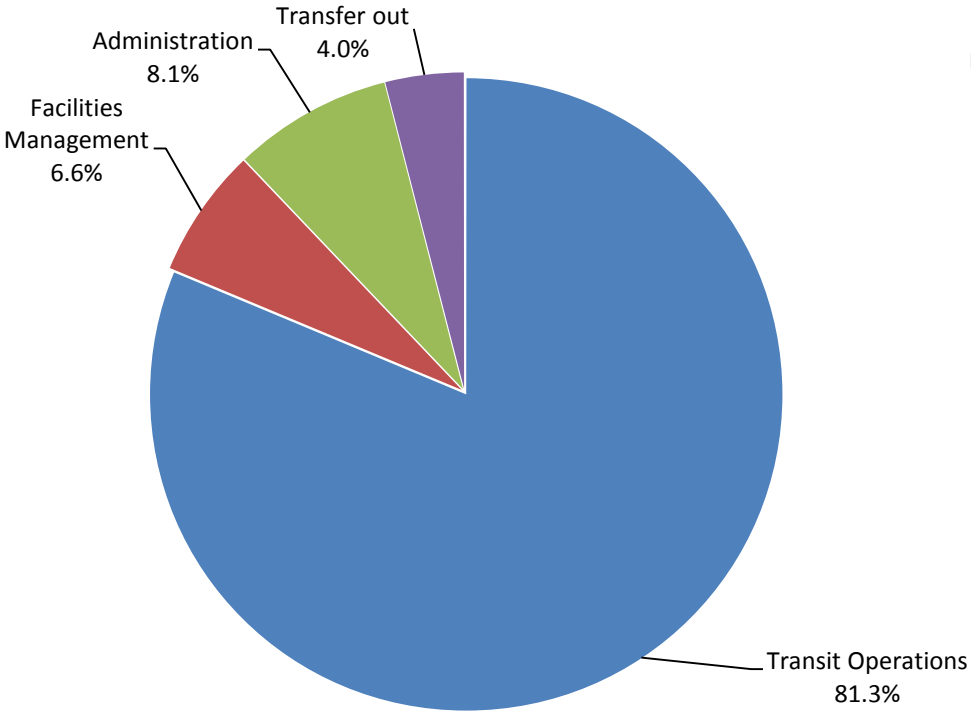
Working Capital Goal



General Fund Expenditures

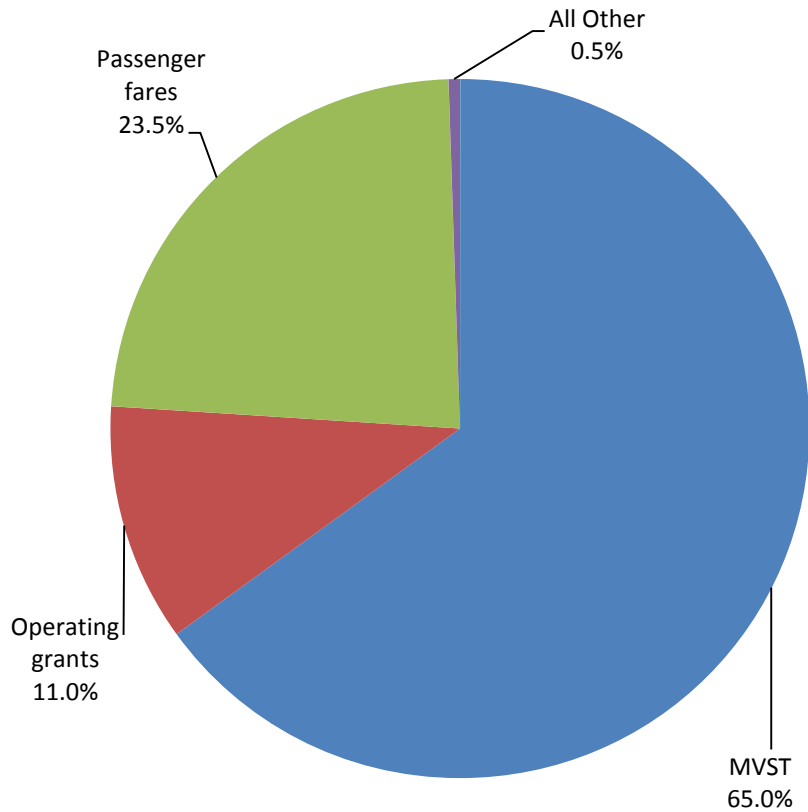
2013

2014

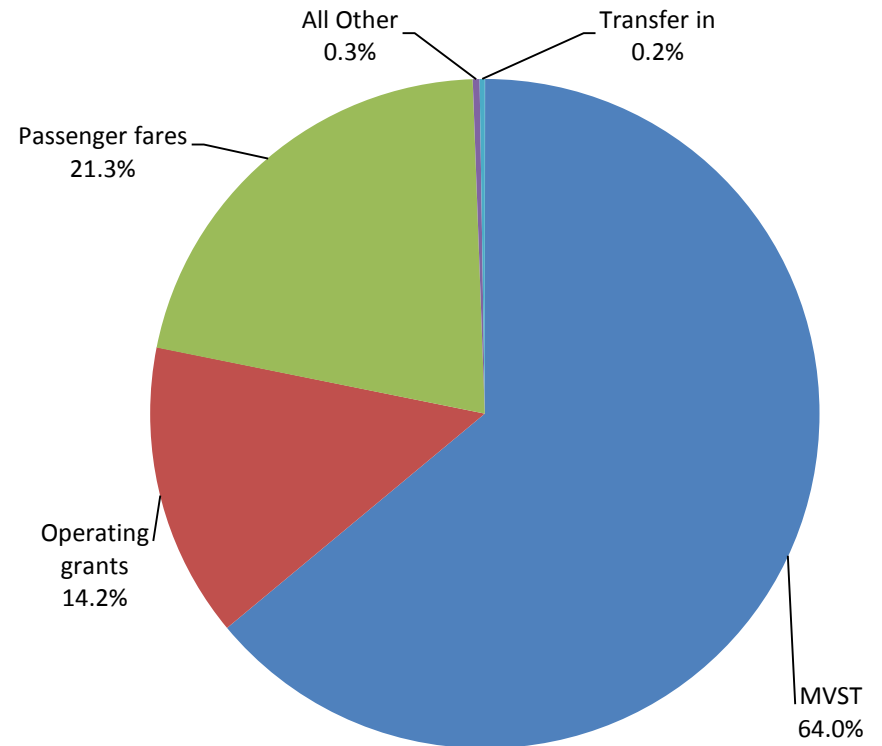


General Fund Revenues

2013



2014



Ridership and Fare Revenue per Rider

