

Audit Presentation

May 20, 2011



 **Lumsden &
McCormick, LLP**
Certified Public Accountants

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Audit Scope and Reports

Engagement Scope

- Financial Audit in accordance with *Government Auditing Standards*
- Federal Single Audit in accordance with OMB-Circular A-133
- Data Collection Form
- New York State Single Audit
- Compliance with Investment Guidelines for Public Authorities
- National Transit Database Report (October)
- Capital District Transportation Committee Financial and Single Audit
- No exceptions noted



Required Communications

Auditors' Responsibilities Under Auditing Standards

- Provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement, and that they are fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles

Other Required Communications

- Consistent application of accounting principles
- No disagreements with management or scope limitations
- No unusual difficulties
- Client prepared adjustments included recording Other Post Employment Benefits liability, grant revenue, and due to/from



Risk Standards and Identification of Risk Areas

Risk Based Audit Approach

- Identified risk areas:
 - New personnel
 - Separation of duties
 - Operating revenue, grants and related receivables
 - Self insurance estimates
 - Other post-employment benefits

Fraud

- Limited procedures performed
- Not designed to detect fraud
- No unusual items noted



Management Letter

Standards for identifying and reporting based on SAS 115

- No material weaknesses
 - L&M assistance with financial statement preparation
 - Ensure collateralization of all deposits and investments
 - Credit card usage
 - Monitor workers' compensation liability accrual
 - Continue to increase separation of duties and cross training
 - Consider monthly recording of grants on MUNIS
 - CDTC accounting
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CAPITAL DISTRICT TRANSPORTATION AUTHORITY

Audit Presentation

Financial Summary - Revenues and Expenses (in thousands)

For the years ended March 31,	2011	2010	% Change	
Operating revenues:				
Passenger	15,941	16,273	-2.0%	.05% decrease ridership; fare increase 4/1/09
Advertising, parking and rentals	2,933	2,693	8.9%	Rental and parking at Rensselaer
Total operating revenues	18,874	18,966	-0.5%	
Operating expenses:				
Salaries, payroll taxes and benefits	46,636	46,173	1.0%	3% pay increase 6/10 offset by decrease in employees and W/C
Other post-employment benefits	7,480	7,727	-3.2%	Post-employment benefits per actuarial report
Maintenance, transportation and ridership	16,722	22,103	-24.3%	Adirondack Trailways \$3.6m; dec in maintenance costs
Administration and general and depreciation	18,071	17,413	3.8%	Depreciation increase
Total operating expenses	88,909	93,416	-4.8%	
Operating loss	(70,035)	(74,450)		
Non-operating revenues, net:				
Capital contributions	23,653	11,338	108.6%	\$18m ARRA; NYSEDA \$1.7 grant in 2010
Federal operating assistance	9,795	15,291	-35.9%	Adirondack Trailways \$3.6m; prevent maint \$1.4
State and local government funding	33,057	34,055	-2.9%	Decrease in state operating assistance and GRT
Mortgage tax and other	10,474	10,443	0.3%	Consistent
Total nonoperating revenues	76,979	71,127	8.2%	
Increase (decrease) in net assets	6,944	(3,323)		
Net assets - beginning of year	124,171	127,494		
Net assets - end of year	\$ 131,115	\$ 124,171		

CAPITAL DISTRICT TRANSPORTATION AUTHORITY

Audit Presentation

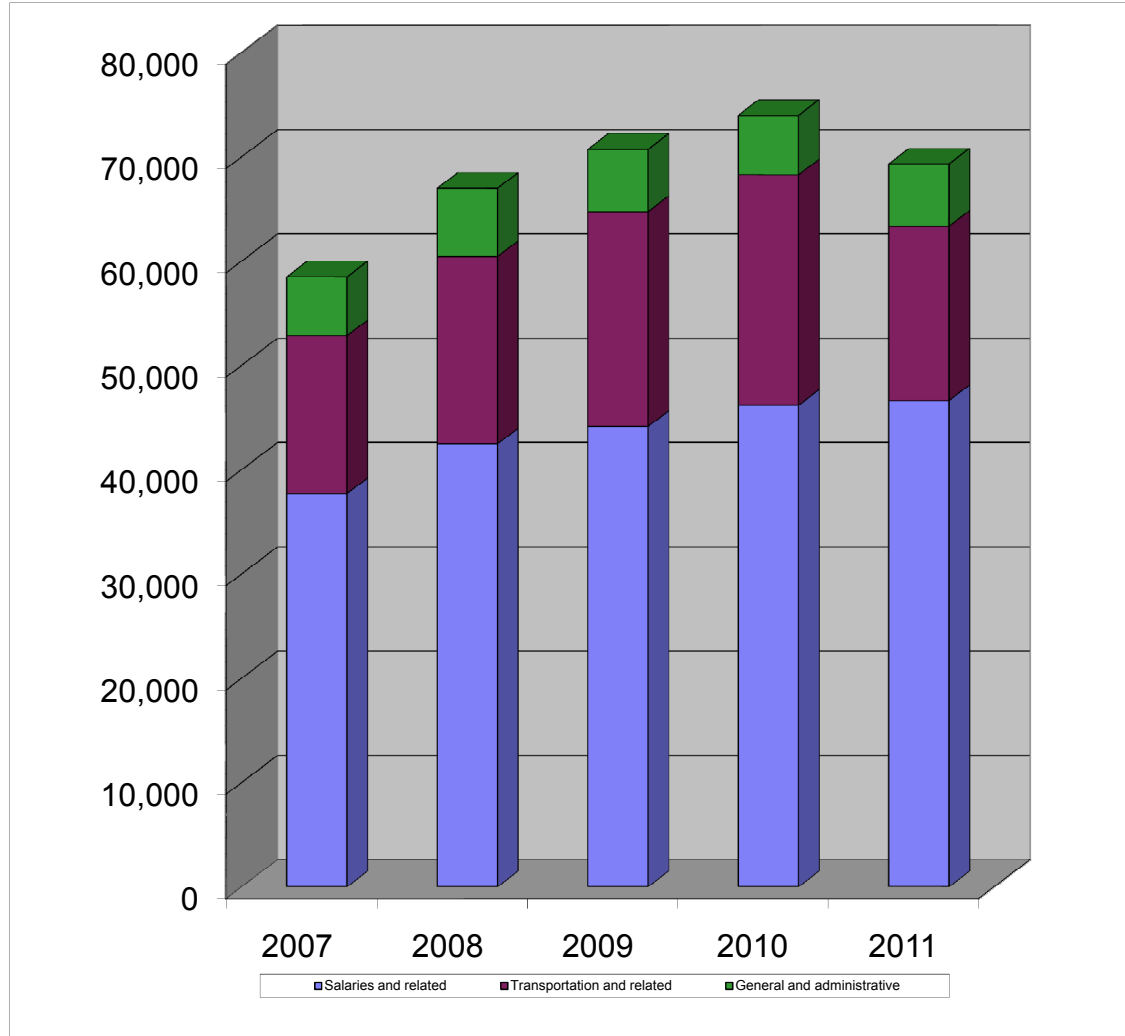
Financial Summary - Assets, Liabilities and Net Assets (in thousands)

March 31,	2011	2010	
Assets			
Cash and investments	\$ 29,278	\$ 28,938	Timing of receivables and payables
Receivables	9,643	14,130	Adirondack Trailways grant in 2010
Inventory and other	3,782	3,775	CDTC advance, inventory and prepaid expenses
Capital assets, net	121,348	107,776	Purchases \$25m; depr \$12m; 40 buses, cameras shelter
	<u>164,051</u>	<u>154,619</u>	
Liabilities			
Accounts payable and accrued expenses	\$ 6,103	\$ 9,527	Adirondack Trailways grant in 2010
Estimated provision for claims and settlements	9,052	9,053	Workers' comp (\$7.5m) and general liability (\$1.5m)
Other post-employment benefits (GASB 45)	17,781	11,868	Per actuarial report
Total liabilities	<u>32,936</u>	<u>30,448</u>	
Net Assets			
Invested in capital assets, net of depreciation	121,348	107,776	
Unrestricted	9,767	16,395	OPEB accrual
Total net assets	<u>131,115</u>	<u>124,171</u>	
Total liabilities and net assets	<u>\$ 164,051</u>	<u>\$ 154,619</u>	

**CAPITAL DISTRICT TRANSPORTATION AUTHORITY
FIVE YEAR HIGHLIGHTS
2007-2011**

	2007	2008	2009	2010	2011
Salaries and related	\$ 37,711,934	\$ 42,471,940	\$ 44,142,011	\$ 46,179,898	\$ 46,636,248
Transportation and related	15,144,961	17,979,271	20,608,650	22,103,392	16,721,108
General and administrative	5,633,350	6,532,925	5,965,258	5,701,435	5,963,895
Total	\$ 58,490,245	\$ 66,984,136	\$ 70,715,919	\$ 73,984,725	\$ 69,321,251

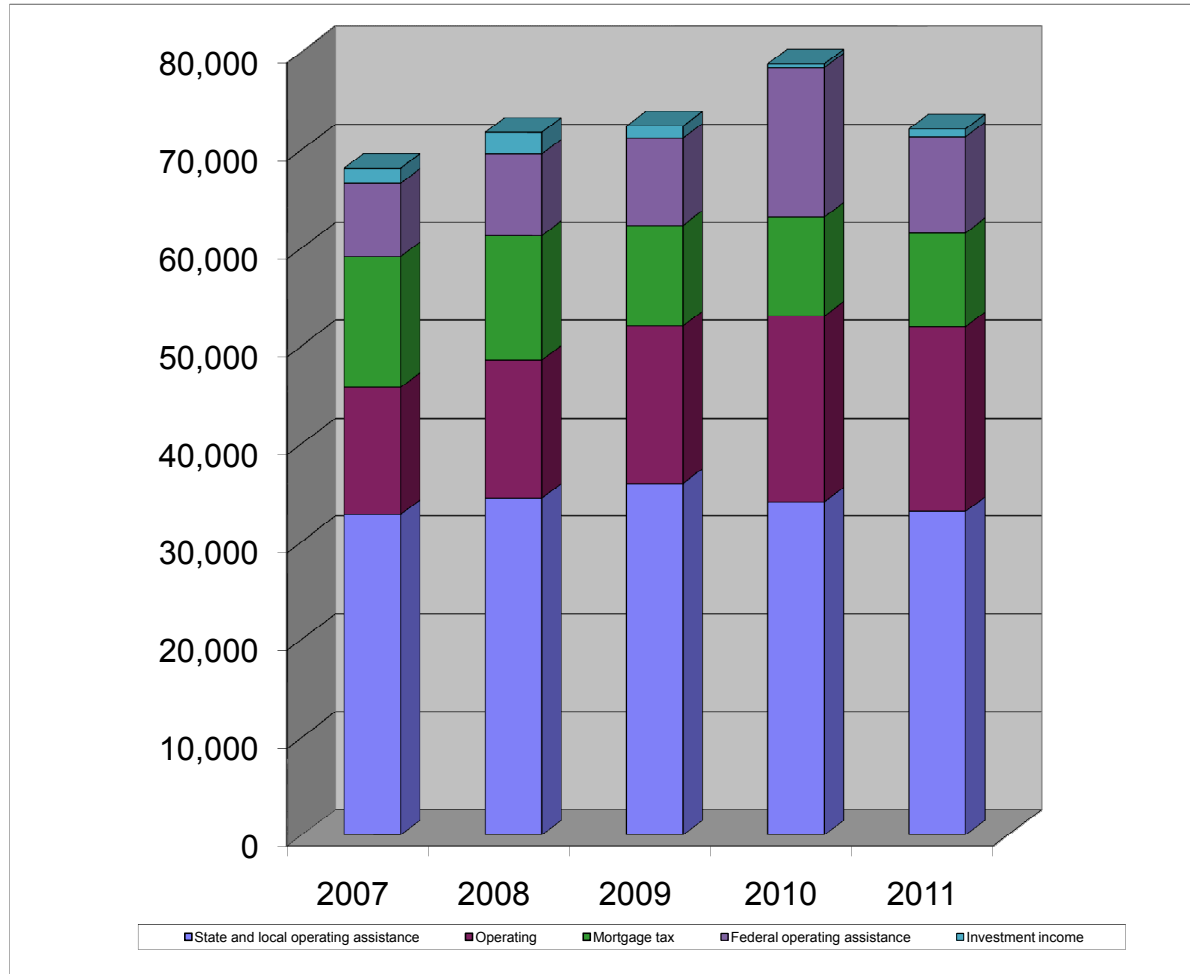
Operating Expenses net of Other Postemployment Benefits (thousands)



**CAPITAL DISTRICT TRANSPORTATION AUTHORITY
FIVE YEAR HIGHLIGHTS
2007-2011**

	2007	2008	2009	2010	2011
State and local operating assistance	\$ 32,746,623	\$ 34,434,663	\$ 35,914,841	\$ 34,055,252	\$ 33,056,961
Operating	12,986,037	14,119,741	16,107,120	18,965,539	18,874,192
Mortgage tax	13,375,112	12,707,609	10,263,773	10,091,733	9,602,544
Federal operating assistance	7,481,665	8,299,645	8,921,233	15,290,978	9,794,690
Investment income	1,491,462	2,228,812	1,227,905	384,926	812,720
Total	\$ 68,080,899	\$ 71,790,470	\$ 72,434,872	\$ 78,788,428	\$ 72,141,107

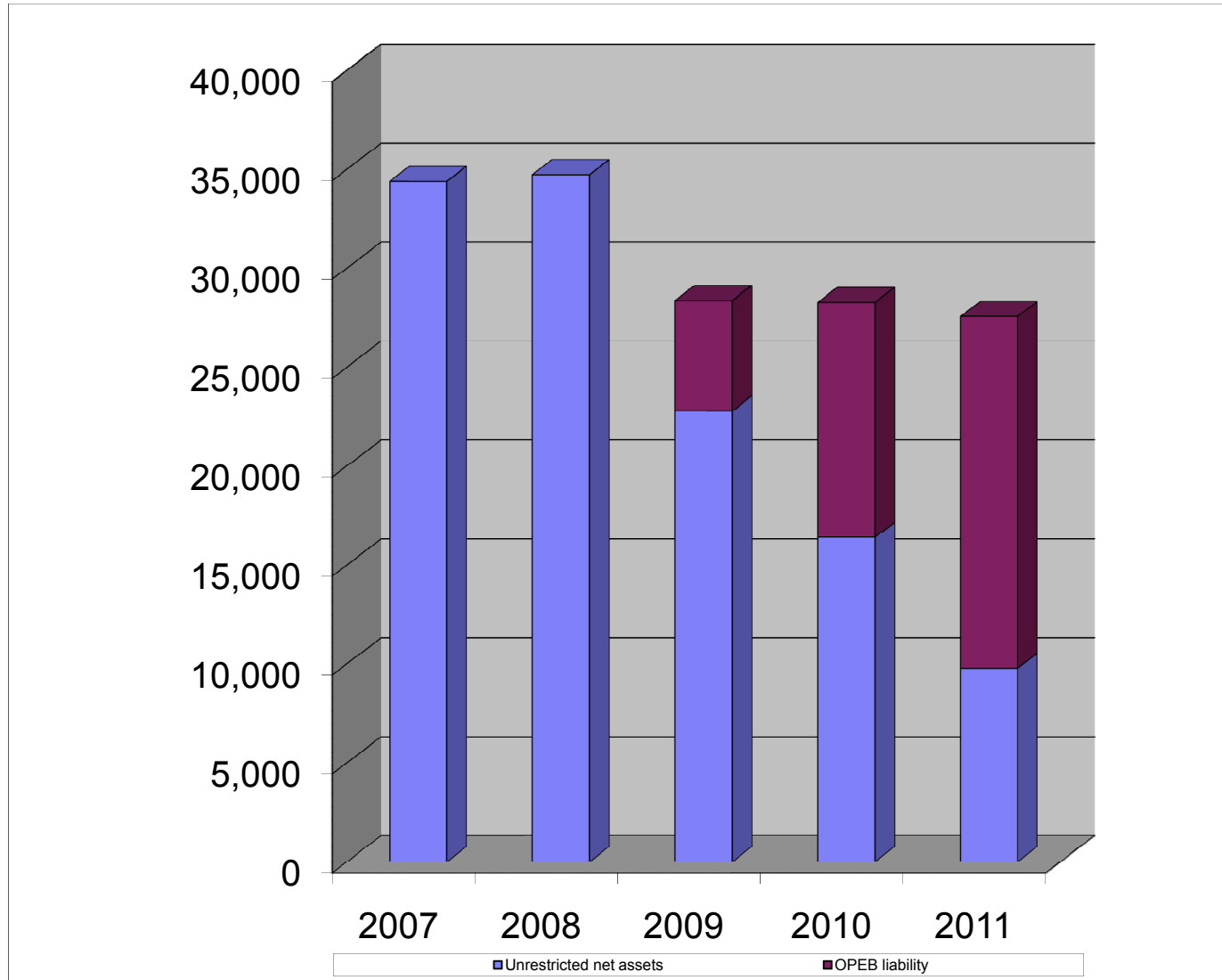
Select Revenues (thousands)



**CAPITAL DISTRICT TRANSPORTATION AUTHORITY
FIVE YEAR HIGHLIGHTS
2007-2011**

	2007	2008	2009	2010	2011
Unrestricted net assets	\$ 34,397,752	\$ 34,723,923	\$ 22,779,942	\$ 16,394,244	\$ 9,766,900
OPEB liability	-	-	5,579,305	11,867,651	17,780,888
Total	\$ 34,397,752	\$ 34,723,923	\$ 28,359,247	\$ 28,261,895	\$ 27,547,788

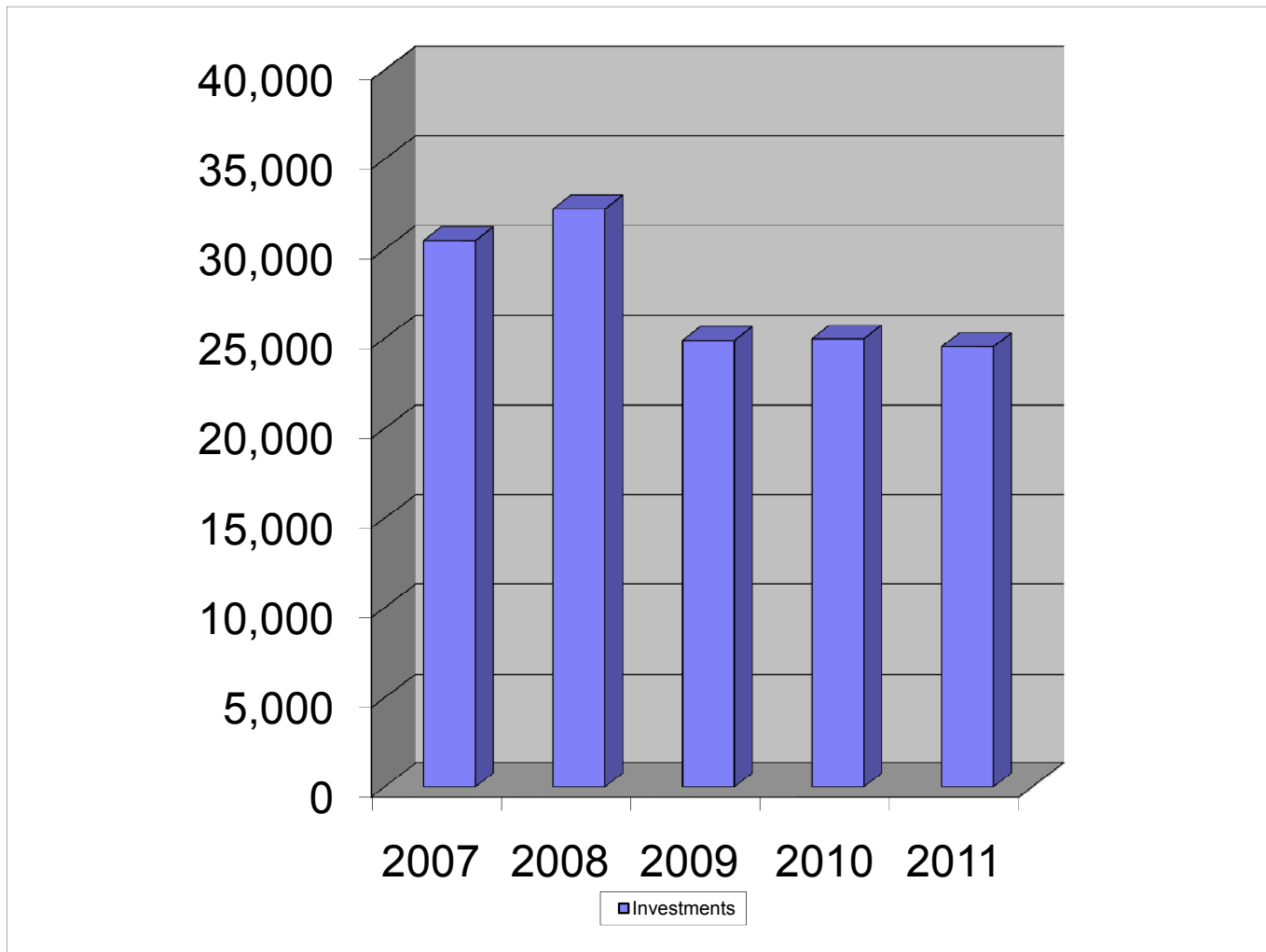
Unrestricted Net Assets with OPEB Liability (thousands)



**CAPITAL DISTRICT TRANSPORTATION AUTHORITY
FIVE YEAR HIGHLIGHTS
2007-2011**

	2007		2008		2009		2010		2011
Investments	\$ 30,475,421	\$	32,233,044	\$	24,885,808	\$	24,979,849	\$	24,534,658

Investments (thousands)





Questions/Concerns?