

Nantucket Regional Transit Authority

3 East Chestnut Street, Nantucket, MA 02554

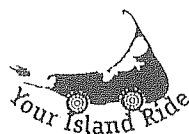
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Minutes of the Finance and Audit Committee Meeting of September 4, 2013. The meeting took place in the Training Room of the Nantucket Police Station, 4 Fairgrounds Road, Nantucket, MA 02554. Members of the Board present were: Rick Atherton, Robert DeCosta, Bruce Miller, Matthew Fee, Tobias Glidden and Jeanette Topham. Chairman Atherton opened the meeting at 5:30 p.m.

Presentation of FY13 Audited Financial Statements by Bruce Norling, CPA, P.C. per 801 CMR 53.00 and MassDOT Policy. Ms. Leary introduced Bruce Norling and left the room.

Mr. Norling presented the basic financial statements to the board and explained what the numbers are for the organization. As the audit firm Mr. Norling gave a report on the opinion of the financial statements and commented that the financial statements are fairly stated and there are no exceptions to that opinion. Mr. Norling also reported on internal controls and Circular A-133 for major federal program awards. The MDA and independent auditors report are materially fairly stated. Mr. Norling stated that the statement of net position or balance sheet shows the organization is fiscally strong. NRTA's working capital assets over liability by \$2 million. The organization accrues OPEB for the two full time employees. Mr. Norling credited NRTA for the audit work to be completed this early year. Mr. Norling stated the way the financial operations are structured are good. Mr. Norling noted that NRTA is a Component unit of the Commonwealth of Massachusetts and these reports are submitted to the state and are consolidated. Mr. Norling also noted RAN activity is disclosed in the footnotes. Mr. Norling stated that the organization is well run. The auditing firm performs a lot of testing of transactions of revenue and expenses and 100% of payroll. The provider of the transportation services has records all in order and the bus system is unbelievable here. Mr. Norling discussed the A-133 Report required when \$500,000 or more in federal funding is received. The NRTA secured four new buses from federal funding which required the A-133 report to be done that wasn't required in FY12. The NRTA received approximately \$1.2 million in federal awards; \$750,000 in capital for new buses and the remaining in federal operating funding. Mr. Norling tested invoices, reviewed and tested procurement viewed the buses and verified VIN numbers. Mr. Norling reported there were no findings.



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Mr. Atherton asked Mr. Norling what other regional transit authorities he audits. Mr. Norling is currently the auditor for Martha's Vineyard Transit Authority (VTA), Cape Cod Regional Transit Authority (CCRTA), and Greater Attleboro Taunton Regional Transit Authority (GATRA), as well as others in the past. Mr. Miller asked about a comparison of NRTA to VTA. Mr. Norling stated VTA is double or triple the size and that both authorities run very well.

Mr. Atherton stated that is nice to have a clean audit with no adverse opinion or qualifications of any kind.

Mr. Norling discussed the separate OMB Circular A-133 which audits major federal programs. Internal controls that are in place are good and they work resulting in no findings. The accounting policies that are in writing are being followed. Fare collection is an electronic farebox system and counting procedures have very tight internal controls in place. Mr. Atherton stated it is hard to have separation of duties with only two employees. Mr. Norling responded that the electronic fare collection system and comparison to the counts provides separation. Counting room procedures are done correctly. Mr. Norling stated he is very confident and pleased when he sees and tests everything and that procedures are being followed. There were no matters found and the system put in place is remarkably good.

Mr. Fee asked why NRTA qualified as a no risk auditee. Mr. Norling explained the required statement low risk or not a low risk has to do with the amount of federal money received and the consecutive years those dollar amounts are received. The NRTA does not meet the requirement every year.

Mr. Miller asked who bares ultimate liability for RAN. Mr. Norling responded that he wasn't aware of the legal aspect but presumed it would be NRTA, but NRTA is a component of the Commonwealth of Massachusetts.

Mrs. Topham questioned why only the Administrator's salary was reported in the audit when there are two employees. Mr. Norling responded that is not required to disclose any other employee's salaries then the Administrators.



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There was discussion about the capital assets listing of buildings and structures and whether the NRTA owned the bus garage.

Mr. Norling reported that the Administrator is a good administrator, very conscientious wants to be absolutely perfect, and has shown that she takes the job incredibly. Mr. Norling is seriously impressed, with how well the program runs well and costs are within the budget. People really respect her – the drivers, managers and maintenance and she does an excellent job.

Ms. Leary came back into the room.

Mr. Miller moved to accept FY13 Audited Financial Statements; seconded by Mr. DeCosta. So voted.

The meeting was unanimously adjourned at 5:52 p.m.

Approved: February 12, 2014.

