

# MINUTES OF GREATER ROANOKE TRANSIT COMPANY AUDIT COMMITTEE

February 4, 2008

## 1. CALL TO ORDER:

The meeting of the Greater Roanoke Transit Company Audit Committee was called to order in the Emergency Operations Center (EOC Room) of the Noel C. Taylor Municipal Building at 11:01 a.m. with Chairman, Sherman P. Lea, presiding.

- **The roll was called by Mrs. England**

### **Audit Committee**

**Members Present:** Sherman P. Lea, Chair  
Mayor C. Nelson Harris  
Alfred T. Dowe, Jr.  
Beverly T. Fitzpatrick, Jr.  
Gwendolyn W. Mason

### **Audit Committee**

**Members Absent:** David B. Trinkle, Vice-Chair  
Brian J. Wishneff

### **Others Present:**

Drew Harmon, Municipal Auditor  
William M. Hackworth, City Attorney  
Jesse A. Hall, Director of Finance  
Darlene Burcham, City Manager  
James Grigsby, Asst. City Manager/Operations  
Brian Townsend, Asst. City Mgr./Community Development  
David Morgan, General Manager, GRTC  
R. Timothy Conner, Partner, KPMG LLP  
Peter J. Ragone, II, Senior Manager, KPMG LLP  
Ann Shawver, Deputy Director of Finance  
James Brubaker, Major Deputy Sheriff  
Andrea Trent, Retirement Administrator  
Kathryn Fox, Accounting Supervisor  
Faye Gilchrist, Assistant to the City Manager  
Melinda Mayo, Public Information Officer  
Dawn Hope, Assistant Municipal Auditor  
Cheryl Ramsey, Senior Auditor  
Debbie Noble, Senior Auditor  
Doris England, Administrative Assistant

## 2. EXTERNAL AUDIT REPORTS

### **KPMG Audit Reports:**

- A. GRTC – Transit Operations Financial Statements – June 30, 2007 and 2006
- B. GRTC – Report to the Board of Directors – Year Ended June 30, 2007

Chairman Lea ordered that items A and B be received and filed. There were no objections to the order.

The Chair recognized Mr. Conner, Engagement Partner for KPMG. Mr. Conner stated that KPMG had issued an unqualified opinion on the Basic Financial Statements for the Greater Roanoke Transit Company. He noted that the uncorrected misstatement for accrued vacation was from a prior year and that its affect will go away in future years. Mr. Conner also referred committee members to the required communications in KPMG's Report to the Board of Directors. There were no questions from members of the Committee.

### **3. INTERNAL AUDITS**

#### **A. Southwestern Virginia Transit Management Company Retirement Plan and Trust**

Chairman Lea ordered that item A be received and filed. There were no objections to the order.

The Chair recognized Drew Harmon for comments. Mr. Harmon noted that in past years, KPMG had audited the retirement plan and trust as part of the financial audit. The audit of the trust was not required by law or regulation. Due to increasing audit costs, KPMG and management agreed to forgo future financial audits of the trust. In lieu of the financial audit, Management asked Municipal Auditing to perform an annual operational and compliance audit of the retirement plan and trust.

Mr. Harmon provided the Committee with a brief background on the retirement plan and trust, including the third party providers used to place investments, maintain records, and provide investment advice. He stated that the audit included evaluating the controls over contributions and distributions of funds, as well as compliance with related contracts and agreements. There were no findings noted. Mr. Harmon anticipates that the audit for the year ended December 31, 2007, will begin in April or May of this year.

### **4. UNFINISHED BUSINESS:**

There was no unfinished business to come before the Committee.

### **5. NEW BUSINESS:**

There was no new business to come before the Committee.

**6. ADJOURNMENT:**

There being no further business, the meeting was adjourned at 11:08 a.m.

---

Sherman P. Lea, Chair