

WASHINGTON SUBURBAN TRANSIT COMMISSION

**Financial Statements and Supplemental Schedules Together with
Report of Independent Public Accountants**

For the Year Ended June 30, 2017



S B & COMPANY, LLC
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JUNE 30, 2017

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Commissioners of
Washington Suburban Transit Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the Washington Suburban Transit Commission (the Commission) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2017, and the change in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenue and Expenses – Budget and Actual as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The Schedule of Grants Provided to Other Governments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Grants Provided to Other Governments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Grants Provided to Other Governments is fairly stated in all material respects in relation to the basic financial statements as a whole.



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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Hunt Valley, Maryland
December 4, 2018

SB & Company, LLC

WASHINGTON SUBURBAN TRANSIT COMMISSION

Management's Discussion and Analysis June 30, 2017

Overview of the Financial Statements and Financial Analysis

This discussion and analysis of the Washington Suburban Transit Commission's (the Commission) financial statements provides an overview of the Commission's financial activities for the year ended June 30, 2017, with fiscal year 2016 data presented for comparative purposes. The emphasis of discussion about these statements is on the current year activity. Management has prepared the financial statements and the related footnote disclosures along with this discussion and analysis. There are three financial statements presented: the statements of net position; the statements of revenue, expenses, and change in net position; and the statements of cash flows.

Statements of Net Position

A review of the statements of net position reveals that the net assets of the Commission decreased by \$69,157 for the year ended June 30, 2017. This is primarily a result of expense exceeding revenue for fiscal year 2017.

	<u>For the Years Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	<u>\$ 645,632</u>	<u>\$ 509,951</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 101,842	\$ 5,023
Unearned revenue	<u>128,965</u>	<u>20,946</u>
Total Liabilities	<u>230,807</u>	<u>25,969</u>
Net Position	<u>\$ 414,825</u>	<u>\$ 483,982</u>

WASHINGTON SUBURBAN TRANSIT COMMISSION

Management's Discussion and Analysis June 30, 2017

Statements of Revenue, Expenses, and Change in Net Position

For the year ended June 30, 2017, total operating grants decreased by \$86,560. Total administrative expenses increased by \$67,053, primarily due to increases in personnel costs. In the current year, management has reported in-kind contributions that include the manager's salary and other costs associated with the Commission paid for by supporting organizations.

	For the Years Ended June 30,	
	2017	2016
Operating Revenue		
Operating grants and contributions	\$ 385,638	\$ 472,198
In-kind contributions	27,864	27,864
Total Operating Revenue	413,502	500,062
Operating Expenses		
Administrative expenses	454,795	387,742
In-kind contributions	27,864	27,864
Total Operating Expenses	482,659	415,606
Operating Loss	(69,157)	84,456
Non-Operating Revenue (Expenses)		
Property taxes	23,364,247	21,750,395
Grants	447,295,043	448,440,393
Grants to other governments	(470,659,290)	(470,190,788)
Total Non-Operating Revenue (Expenses)	-	-
Change in net position	(69,157)	84,456
Net position, beginning of year	483,982	399,526
Net Position, End of Year	\$ 414,825	\$ 483,982

WASHINGTON SUBURBAN TRANSIT COMMISSION

Management's Discussion and Analysis June 30, 2017

Statements of Cash Flows

An additional method to assess the financial health of the Commission is to look at the statements of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Commission during a defined period. The statements of cash flows also help users to assess the Commission's:

- Ability to generate future net cash flows;
- Ability to meet its obligations as they come due; and
- Need for external financing.

	For the Years Ended June 30,	
	2017	2016
Cash Flows From:		
Operating activities	\$ 135,681	\$ 85,900
Cash, beginning of year	509,951	424,051
Cash, End of Year	\$ 645,632	\$ 509,951

The change in cash flows from operating activities was primarily due to an increase in accounts payable during the year ended June 30, 2017.

Economic Outlook

Funded by the State of Maryland (the State) and Prince George's and Montgomery Counties, the Commission's annual budget depends on the economic position of these state and local governments.

Overall, the economic outlook in Maryland is positive. Unemployment in the State has fallen to 4.3% as of July 2018. This is slightly higher than the recent low of just 4.0% as recently as October 2017, but dramatically lower than that of March 2010, at the peak of the Great Recession, when unemployment grew to 7.8%.

At the same time, the workforce participation rate in the State – the percentage of the eligible population who are employed or looking for work – has increased over the last several years. The workforce participation rate remained stagnant at 66.9% from December 2013 through January of 2016. Since then, the rate has risen to 67.5% as of July 2018. This represents almost 115,000 more Marylanders who are either employed or are confident enough in the availability of jobs in the market that they have once again begun looking for work.

When analyzed in conjunction, these measures point to a solid economic landscape in Maryland, for both the state as a whole, as well as the individual counties.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Management's Discussion and Analysis June 30, 2017

Request for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sara LeBarron, Financial Analyst, or Pat Pscherer Jr., Director of MDOT's Office of Washington Area Transit Programs, 4351 Garden City Drive, Suite 305, Hyattsville, MD 20785.

WASHINGTON SUBURBAN TRANSIT COMMISSION

**Statement of Net Position
As of June 30, 2017**

ASSETS	
Cash	<u>\$ 645,632</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 101,842
Unearned revenue	<u>128,965</u>
Total Liabilities	<u>230,807</u>
Net Position	<u><u>\$ 414,825</u></u>

The accompanying notes are an integral part of this financial statement.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Statement of Revenue, Expenses and Change in Net Position For the Year Ended June 30, 2017

Operating Revenue

Operating grants and contributions	\$ 385,638
In-kind contributions	27,864
Total Operating Revenue	<u>413,502</u>

Operating Expenses

Administrative expenses	454,795
In-kind contributions	27,864
Total Operating Expenses	<u>482,659</u>

Operating Loss	<u>(69,157)</u>
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Non-Operating Revenue (Expenses)

Property taxes	23,364,247
Grants	447,295,043
Grants to other governments	(470,659,290)
Total Non-Operating Revenue (Expenses)	<u>-</u>

Change in net position	(69,157)
Net position, beginning of year	483,982
Net Position, End of Year	<u>\$ 414,825</u>

The accompanying notes are an integral part of this financial statement.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Statement of Cash Flows For the Year Ended June 30, 2017

Cash Flows From Operating Activities	
Receipts for grants and contributions	\$ 493,657
Payments to employees and vendors	(357,976)
Net Cash Flows From Operating Activities	<u>135,681</u>
Cash Flows for Non-Capital Financing Activities	
Receipts for grants and property taxes	447,295,043
Payments of grants to other governments	(447,295,043)
Net Cash Flows for Non-Capital Financing Activities	<u>-</u>
Change in cash	135,681
Cash, beginning of year	509,951
Cash, End of Year	<u>\$ 645,632</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating loss	\$ (69,157)
Net changes in non-cash operating assets and liabilities:	
Accounts payable and accrued expenses	96,819
Deferred revenue	108,019
Net Cash from Operating Activities	<u>\$ 135,681</u>

The accompanying notes are an integral part of this financial statement.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Statement of Cash Flows

For the Year Ended June 30, 2017

1. BACKGROUND OF ORGANIZATION

The Washington Suburban Transit District (the District), encompassing Prince George's County and Montgomery County, Maryland, was chartered by the State of Maryland in 1965 to, among other things, coordinate and participate in the formulation of the transit plan of the Washington Metropolitan Area Transit Authority (WMATA) for the District. The District is governed by the Washington Suburban Transit Commission (the Commission), which is composed of three representatives each from the Counties, and one representative from the Maryland Department of Transportation (MDOT).

The Commission's operations consist of grants from the Maryland Department of Transportation; Montgomery County, Maryland; Prince George's County, Maryland and the Maryland Transit Administration (MTA) to fund its operating cost and to make payments to transit systems in the Washington, DC metropolitan area. The Commission also assesses property taxes to the citizens of Prince George's County. The proceeds from the property taxes are given to Prince George's County to operate its transit system.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

The financial statements of the Commission are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Commission's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Commission's name.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Statement of Cash Flows

For the Year Ended June 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Custodial Credit Risk – Deposits (continued)

The Commission does not have a formal deposit policy for custodial credit risk. As of June 30, 2017, the Commission had cash deposits of \$645,632, which exceeded the maximum limit insured by the Federal Deposit Insurance Corporation (FDIC) by \$395,632.

Revenue

The Commission distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the Commission's principal on-going operations. Revenue and expenses not meeting this definition are reported as non-operating revenue and expenses. The principal operating revenue of the Commission is grants to fund employee and other administrative costs. The principal non-operating revenue and expenses are property taxes assessed and grants recognized to make contributions to other governments for transit operations on behalf of the Commission. Funds received for expenses not yet incurred are recorded as deferred revenue.

In-Kind Contributions

The MDOT provided administrative support in addition to paying the salary of the current director of the Commission. The value of these services is included in the financial statements because it met the criteria of an in-kind contribution. Management estimates the fair value of in-kind services during the year ended June 30, 2017, to be worth approximately \$27,864. Management estimated the value of the in-kind services based on information provided by MDOT on the cost of these services.

3. MASS TRANSIT PLAN

On June 28, 1991, an agreement was entered into between Prince George's County and the Commission. This agreement established a Mass Transit Tax on Prince George's County real property to provide additional financing for Prince George's County mass transit services. This tax is levied under the authority of the Commission and is administered by Prince George's County and restricted to expenditures of the Mass Transit Plan. During the year ended June 30, 2017, the property taxes under this agreement were \$23,364,247, which are included in non-operating revenue. The amount collected was contributed to Prince George's County during the year.

WASHINGTON SUBURBAN TRANSIT COMMISSION

Statement of Cash Flows

For the Year Ended June 30, 2017

4. LEASE COMMITMENTS

The Commission leases office space under a lease agreement expired in calendar year 2017 with an option to be renewed for one additional year. Rent expense for the year ended June 30, 2017 was \$52,840. Future minimum rental payments required under the lease are \$58,464 for the year ending June 30, 2018.

5. NET POSITION

As part of the agreement between the Commission, Prince George's and Montgomery Counties, MTA and MDOT, the net position resulting from the excess of the actual results over the budgeted results are to be returned to the contributors. Excess funds typically result in budget reductions for future years. While the entire remaining balance from each year is required to be returned at some point, management has not returned excess funds from some previous years. During the year ended June 30, 2017, \$20,946 from the prior year was used to reduce the cash payments paid by the contributors to the Commission. As of June 30, 2017, \$128,965, was recorded as unearned revenue and will be used to offset the 2018 cash payments paid by the contributors to the Commission.

SUPPLEMENTARY SCHEDULES

WASHINGTON SUBURBAN TRANSIT COMMISSION

**Schedule of Grants Provided to Other Governments
For the Year Ended June 30, 2017**

Grants provided to WMATA, Prince George's County and Montgomery County for operating and capital expenses are as follows:

	Year Ended June 30, 2017		
	Operating	Capital	Total
Washington Metropolitan Area Transit Authority	\$ 320,448,155	\$ 126,846,888	\$ 447,295,043
Prince George's County property tax	23,364,247	-	23,364,247
Total	\$ 343,812,402	\$ 126,846,888	\$ 470,659,290

WASHINGTON SUBURBAN TRANSIT COMMISSION

Schedule of Revenue and Expenses – Budget and Actual
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget Variance</u>
Revenue			
Maryland Department of Transportation	\$ 158,070	\$ 120,037	\$ 38,033
Montgomery County, Maryland	140,260	107,638	32,622
Prince George’s County, Maryland	117,760	91,138	26,622
Maryland Transit Administration	36,910	66,825	31,688
Total Revenue	<u>453,000</u>	<u>385,638</u>	<u>128,965</u>
Expenses			
Salaries	186,000	90,281	(95,719)
Employee and retiree benefits	112,450	215,831	103,381
Commissioners' compensation	62,750	62,750	-
Accounting and audit	15,900	13,500	(2,400)
Bank/payroll fees	2,000	1,994	(6)
Office equipment rental and repair	2,500	-	(2,500)
Insurance	2,200	1,387	(813)
Internet connection	5,500	4,868	(632)
Local travel	1,000	227	(773)
Miscellaneous	1,000	6,025	5,025
Office supplies	2,200	1,485	(715)
Postage	100	-	(100)
Rent	56,000	52,840	(3,160)
Telephone	3,400	3,607	207
Total Expenses	<u>453,000</u>	<u>454,795</u>	<u>1,795</u>
Operating Income	<u>\$ -</u>	<u>\$ (69,157)</u>	<u>\$ 127,170</u>



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL
CONTROLS OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners of
Washington Suburban Transit Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Washington Suburban Transit Commission (the Commission) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of current year findings (2017-001) to be a material weakness.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be a material weakness.



A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Commission's Response to Findings

The Commission's response to the finding identified in our audit is described in the accompanying schedule of corrective actions. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland
December 4, 2018

WASHINGTON SUBURBAN TRANSIT COMMISSION

**Schedule of Current Year Findings
For the Year Ended June 30, 2017**

Section I – Summary of Independent Public Accountants’ Results

Financial Statements

Type of independent public accountants’ report issued Unmodified

Internal controls over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

WASHINGTON SUBURBAN TRANSIT COMMISSION

Schedule of Current Year Findings For the Year Ended June 30, 2017

Section II – Financial Statement Findings

Reference Number: 2017-001

Type of Finding – Material Weakness over Financial Reporting

Repeat Finding - No

Criteria

The Commission must maintain an adequate system of internal control over financial reporting in order to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles.

Condition

The financial information for the year ended June 30, 2017, included misstatements in certain balance sheet accounts that were the result of ineffective monitoring procedures and closing processes throughout the year. Accounting tasks such as monthly reconciliations play a key role in proving the accuracy of accounting data and information included in the consolidated financial statements. Specific accounts include cash, receivables, accounts payable and deferred revenue. These misstatements, in certain circumstances, resulted in audit adjustments and delays in completing the audit.

Cause

The Commission has had turnover in accounting and management personnel during the past two years and some of the internal controls relating to the review and analysis of accounts were not performed on a timely basis.

Effect

The delay in completing account analysis for the consolidated financial statement accounts could allow for errors and irregularities to go undetected. Also, accurate financial information was not available to make management decisions.

Recommendation

In order to provide more accurate and timely accounting information, we strongly recommend that the Commission establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. This would involve monthly reconciliations of all accounts, making various adjustments throughout the year that have typically been performed at year-end only, and performing more frequent reviews of the general ledger throughout the year.

Responsible Official's Response

See schedule of corrective actions.

WASHINGTON SUBURBAN TRANSIT COMMISSION

**Schedule of Prior Year Findings
For the Year Ended June 30, 2017**

No findings were reported during the prior year.

Washington Suburban Transit Commission

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Recommendation

In order to provide more accurate and timely accounting information, we strongly recommend that the Commission establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. This would involve monthly reconciliation of all accounts, making various adjustments throughout the year that have typically been performed at year-end only, and performing more frequent reviews of the general ledger throughout the year.

Responsible Official's Response

Management agrees with the course of action recommended by the auditors.

The complete turnover in staff at the Washington Area Transit Office over the past eighteen months has resulted in the accounting functions of the Office being completed by a variety of staff. As a result, inconsistencies in both frequency and method of processing the Washington Suburban Transit Commission's (WSTC) accounts have resulted in the need to correct past accounting errors and establish new procedures in order to keep the accounts current and accurate. The Office Manager and Financial Analyst of the WSTC have worked in tandem to reconcile all transactions from the current fiscal year, as well as identify a number of inconsistencies in prior years which have propagated into recent balances. As a result, the current balance sheet is more accurate than it has been in recent years.

While the transaction records and cash balances have significantly improved as a result of these efforts, the regular review of the WSTC balance sheets is sound practice. The Director of the Washington Area Transit Office will work with the Financial Analyst to develop routine reporting of the accounts of the WSTC, including monthly transaction summaries and reconciliation reports, for the Director's review. Additionally, the Director will develop with the Financial Analyst and the Office Manager a plan of training for the Office's electronic accounting system (QuickBooks), to ensure that the financial management tool is being used in such a way as to satisfy all Generally Accepted Accounting Principles.