

AGENDA ITEM 8-A
ACTION ITEM

TO: CHAIRMAN ZIMMERMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: NOVEMBER 20, 2009

**RE: AUTHORIZATION TO FORWARD THE FY 2009 AUDITED
FINANCIAL STATEMENTS AND MANAGEMENT LETTER TO
THE COMMISSIONS**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to forward to the Commissions for consideration VRE's financial statements for FY 2009 as audited.

BACKGROUND:

The audit of VRE's FY 2009 financial statements has been completed and the auditors have issued an unqualified opinion. Their report finds that VRE's statements, in all material respects, fairly and accurately present the financial position of the organization.

The FY 2009 audit was conducted by the firm of PBGH, LLC. PBGH has served as the auditors for VRE, PRTC and NVTC for the last few years and a new three year contract for the audit of the VRE and NVTC financial statements was approved in April 2008. The audited financial statements will be made available at the Operations Board meeting.

The auditors' report on internal control lists one finding related to the recognition of accrued expenses. A locomotive progress payment was paid by wire in July and erroneously recorded in July, for work performed in June. The auditors were

required to disclose this error as a weakness in internal control because of the materiality of the transaction.

FISCAL IMPACT:

There is no financial impact to the VRE Operating Budget from the presentation of these audited financial statements.

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RESOLUTION
8A-11-2009
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, the VRE Operations Board, as well as the Northern Virginia Transportation Commission, have contracted for the audit of their respective financial statements; and,

WHEREAS, such audits have been conducted by the firm of PBGH, LLC; and,

WHEREAS, the aforementioned firm has completed the audit of VRE's FY 2009 financial statements; and,

WHEREAS, the auditors have issued an unqualified opinion that VRE's statements, in all material respects, fairly and accurately present the financial position of the organization.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to forward to the Commissions for consideration VRE's financial statements for FY 2009 as audited.