



MEMORANDUM

January 13, 2009

To: TDCHR Commissioners
From: Michael S. Townes, President & CEO
Re: Management response to auditor comment

A handwritten signature in black ink, appearing to read "Michael S. Townes", is written over the "From:" line of the memorandum.

In their letter to management, HRT's auditors noted that certain accounts were not reconciled on a timely basis to subsidiary ledgers. The auditors went on to note that accounts not properly reconciled on a regular basis could result in inaccurate internal reports. Finally, the auditors recommended that all account balances be reconciled monthly to recorded amounts in the general ledger.

As indicated in the auditor's communication, HRT management acknowledges the efficacy of monthly capital grant reconciliations. In this regard, the Accounting Division is implementing procedures to ensure all reconciliations are performed as recommended by the auditors.

Should you have questions regarding this matter, please direct them to Larry Davenport, Senior Vice President for Finance & Administration by phone at 222-6164 or by e-mail at L.davenport@hrtransit.org.

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