

UTA Audit Committee Special Meeting

July 11, 2024



Call to Order and Opening Remarks



Safety First Minute



Consent

- a. Approval of June 24, 2024, Audit Committee Meeting Minutes



Recommended Action (by acclamation)

Motion to approve consent agenda



Audit Committee Actions

- a. 2023 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report



2023 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report





Utah Transit Authority

July 11, 2024

2023 Audit Results & Required Communications

Smart decisions. Lasting value.™

Agenda Item 4.a.

Key Engagement Team Members



Brad Schelle – Engagement Signing Partner



Dan Hartley – Audit Senior Manager



Kathy Lai – Concurring Review Partner



Stacy Curnow – Audit Senior Staff

Crowe Background

Public sector

- More than 1,000 government, not-for-profit, and higher education clients
- Leaders in transportation (airports and public transit)
- Technology-assisted methodology, including patented solutions
- Expertise in GASB and Government Auditing Standards (Yellow Book)
- Experience auditing federal funds in accordance with Uniform Guidance
- Knowledge of AUPs in accordance with AICPA attestation standards
- Involvement with leading national standard-setting bodies and regulators

1,000 +
public sector patented
clients solutions



Audit Approach

Objective

- Express an opinion on the presentation of the financial statements

New Accounting Standards

- GASB 94 – Public-Private and Public-Public Partnerships – no significant impact
- GASB 96 – Subscription-Based Information Technology Arrangements – see Note 2 of the Financial Statements



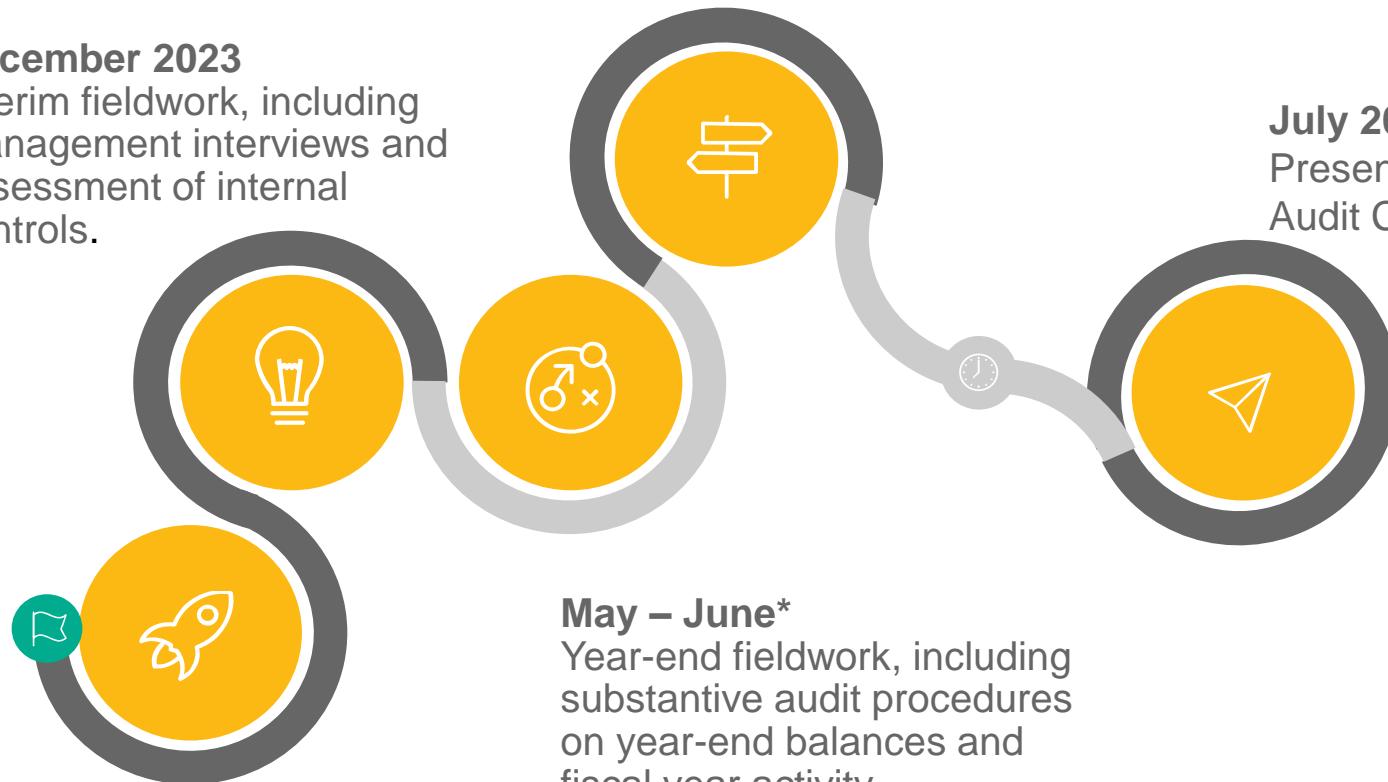
Timeline

October 2023
Audit planning and risk assessment.

December 2023
Interim fieldwork, including management interviews and assessment of internal controls.

May – June*
Test the financial statements and prepare to issue the audit opinion.

July 2024
Presentation of results to the Audit Committee



*Due to turnover at UTA, the start of fieldwork was pushed back from March 18 to May 6.

Audit Deliverables

Financial Statements

- Independent Auditor's Report
- SAS 114 Letter

Compliance

- Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance
- Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the *State Compliance Audit Guide*
- "In relation to" opinion on the Schedule of Expenditures of Federal Awards
- Agreed Upon Procedures report on National Transit Database Federal Funding Allocation Statistics Form
- Crowe's electronic certification of the Data Collection Form through Federal Clearinghouse

Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2023

Finance Department

Viola Miller
Chief Financial Officer

Rob Lamph
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

Audit Results

- Unmodified (clean) opinion
- No material weaknesses in internal controls
- One significant deficiency in internal controls
 - Controls over the preparation of the Schedule of Expenditures of Federal Awards
- Six deficiencies communicated verbally
 - Census data
 - Improper accrual of expenses
 - Payment of invoices within 60 days in accordance with Utah State Law
 - Capital assets not placed into service timely
 - Inaccurate calculation of depreciation
 - GASB 96 implementation issues

Audit Results (continued)

- No posted audit adjustments
- One waived adjustment
 - \$8 million of capital assets that were incorrectly still in construction in progress and not being depreciated, that were already in service
- No observations noted in the NTD testing*

*NTD testing has not been fully completed as of July 1, 2024.

Other Required Communications

Topic	Comment
Independence Communication	<ul style="list-style-type: none">• We are not aware of any relationship between Crowe LLP and Utah Transit Authority that, in our professional judgment, may reasonably be thought to impair our independence. We did assist in the preparation of the ACFR, but utilized the trial balance and documents from the Authority to prepare them.
Significant Accounting Policies	<ul style="list-style-type: none">• No new accounting policies
Management's Judgments and Accounting Estimates	<ul style="list-style-type: none">• Fair value of investments• Estimated useful lives of capital assets• Actuarial assumptions used in net pension liability calculations
Auditor's Judgments About Qualitative Aspects of Significant Accounting Practices	<ul style="list-style-type: none">• Appropriateness of accounting policies• Adequacy of financial statement disclosures• Timing of transactions• Significant risks, exposures and unusual transactions - None• Selective correction of misstatements – None

Other Required Communications (continued)

Topic	Comment
<p>Other Communications:</p> <ul style="list-style-type: none">• Other Information in Documents Containing Audited Financial Statements• Significant Difficulties Encountered During The Audit• Disagreements With Management• Consultations With Other Accountants• Representations The Auditor Is Requesting From Management• Significant Issues Discussed, Or Subject To Correspondence, With Management• Significant Related Party Findings and Issues• Other Finding or Issues We Find Relevant or Significant	<p>Turnover in key UTA finance/accounting positions have caused delays in receiving information and a delay in the year-end testing fieldwork.</p> <p>No other issues noted.</p>

Emerging Issues



Implementation 12/31/2024

- GASB 100, *Accounting Changes and Error Corrections*
- GASB 101, *Compensated Absences*

Implementation 12/31/2025

- GASB 102, *Certain Risk Disclosures*

Implementation 12/31/2026

- GASB 103, *Financial Reporting Model Improvements*



Thank You

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Audit Partner

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Agenda Item 4.a.

Recommended Action (by acclamation)

Motion to recommend the 2023 UTA Financial Audit Report and National Transit Database Agreed Upon Procedure Report to the Board of Trustees for acceptance.



Other Business

- a. Next Meeting: Monday, September 23, 2024, at 3:00 p.m.



Adjourn

