



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Thursday, July 11, 2024

1:00 PM

FrontLines Headquarters

Special Meeting

Present: Chair Carlton Christensen
Jeff Acerson
Beth Holbrook
Excused: Troy Walker
Remote: Bob Stevenson

Also in attendance were UTA staff and interested community members.

1. Call to Order & Opening Remarks

UTA Board Chair Carlton Christensen welcomed attendees and called the meeting to order at 1:10 p.m. He announced this is an in-person, recorded meeting with live streaming available online. Chair Christensen noted Committee Member Troy Walker is excused and Committee Member Bob Stevenson is participating remotely.

2. Safety First Minute

Rob Lamph, UTA Comptroller, delivered a brief safety message.

3. Consent

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

A motion was made by Trustee Holbrook, and seconded by Committee Member Stevenson, to approve the consent agenda. The motion carried by unanimous vote.

4. Audit Committee Actions

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

Rob Lamph, UTA Comptroller was joined by Eric Barrett, UTA Deputy Comptroller, and by Vi Miller, UTA Chief Financial Officer, who connected remotely. Lamph recognized Barrett for his efforts in putting together the reports as Interim Comptroller.

Lamph introduced Brad Schelle from Crowe LLP, UTA's external auditors, to present the agency's 2023 Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report.

Schelle introduced the Crowe LLP Team and highlighted the following information:

- The audit approach.
- Two new accounting standards: GASB 94 - Public-Private and Public-Public Partnerships and GASB 96 - Subscription-Based Information Technology Arrangements.
- The audit timeline which was pushed back two months due to staff turnover at UTA.
- Audit deliverables including financial statements and compliance documents.
- Audit results (referenced below).
- Required communications - the only item of note was a delay in Crowe receiving information from UTA and completing year-end fieldwork testing due to key staff turnover in UTA accounting positions.
- Emerging accounting standards and implementation dates: GASB 100 - Accounting Changes and Error Corrections and GASB 101 - Compensated Absences (12/31/24). GASB 102 - Certain Risk Disclosures (12/31/25), and GASB 103 - Financial Reporting Model Improvements (12/31/26).

Schelle presented a full summary of the Audit Results which identified:

- An 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
- 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.

Schelle noted UTA's finance team are now fully staffed, the deficiencies are being addressed, and corrective processes are in place. He mentioned Crowe have offered assistance to Miller and staff to review the audit, answer questions, and provide further direction and suggested improvements as needed.

Discussion ensued. Questions relating to the handling of capital accounting, software service agreement liability, census data, and difficulties encountered during the audit under "required communications", were posed by the committee and answered by Schelle and staff.

Miller thanked Schelle and his team for their work and patience during the audit process.

A motion was made by Trustee Acerson, and seconded by Committee Member Stevenson, to recommend acceptance of the 2023 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report by the Board of Trustees as presented. The motion carried by unanimous vote.

5. Other Business

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

6. Adjourn

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 1:55 p.m.

Transcribed by Hayley Mitchell
Executive Assistant to the Board
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials or audio located at:
<https://www.utah.gov/pmn/sitemap/notice/926075.html> for entire content. Meeting video is accessible at: https://rideuta.granicus.com/player/clip/310?view_id=1&redirect=true. This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

Carlton Christensen
Chair, UTA Audit Committee