

**RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
MINUTES OF THE AUDIT COMMITTEE
HELD FEBRUARY 22, 2023**

A meeting of the Audit Committee of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 22nd day of February 2023 at the Richmond Metropolitan Transportation Authority, 901 East Byrd Street, Richmond, Virginia, pursuant to due notice.

The following Committee members were present and acting throughout the meeting unless otherwise noted: Committee Chair Jane duFrane and the following Committee members: Aubrey Fountain (entered at 1:28 p.m.), Barrett Hardiman, and Steve Mulroy. Board Chair Marvin Tart (entered at 1:07 pm) was present as well. Authority staff present were Joi Dean, Leslie Mehta, Marquita Murphy, Steve Owen, and Paula Watson. Also present were Rob Churchman and Mike Rinehart of Cherry Bekaert (the "Auditor").

There was a quorum throughout the meeting.

Committee Chair duFrane called the meeting to order at 1:01 p.m.

Upon motion duly made, seconded and unanimously carried by the affirmative votes of all of the Committee members present, the Committee minutes of the Authority's meeting held on September 29, 2020 was approved, as previously distributed.

Next, Ms. duFrane turned to Ms. Dean for her CEO comments. Ms. Dean introduced Rob Churchman and Mike Rinehart from Cherry Bekaert and explained that they would present the FY21 Audit.

Next, Mr. Churchman provided his presentation of the FY21 Audit. He noted at the outset that Cherry Bekaert audited RMTA's basic financial statements as of and for the year ending June 30, 2021. He expected to issue an unmodified ("clean") opinion on the basic financial statements and the Authority's compliance based on *Governmental Auditing Standards*. The firm will issue a report on the Authority's compliance with the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Commonwealth of Virginia's Auditor of Public Accounts. Also, they will issue a letter regarding an internal control issue that will be corrected with the bringing on of additional staff.

Mr. Churchman noted that there were no corrected or uncorrected misstatements found during the Audit. He noted that no new accounting policies were adopted by the Authority other than those to conform with requirements of GASB No. 84, *Fiduciary Activities* and noted no inappropriate accounting policies or practices. Mr. Churchman also stated that he noted none of the following: related parties or related party relationships or transactions that were previously undisclosed to the Auditors; significant related party transactions that have not been approved in accordance with the Authority's policies or procedures or for which exceptions to the Authority's policies or procedures were granted; significant related party transactions that appeared to lack a business purpose; noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions; or difficulties in identifying the party that ultimately controls the Authority. Moreover, he noted no transactions of the Authority during the year for which there is a lack of authoritative guidance or consensus and all significant transactions have been recognized in the financial statements in the proper period. He also noted that the financial statement disclosures are neutral, consistent, and clear. Mr. Churchman also noted that the Auditors are not aware of any other circumstances or relationships that create threats to auditor independence and affirmatively stated that they are independent of the Authority and have met their other ethical responsibilities in accordance with the relevant ethical requirements relating to audits.

Moreover in summary, he noted that they encountered no significant difficulties in dealing with management in performing and completing the audit; they are pleased to report that no disagreements arose with management during the course of the audit; there were no difficult or contentious matters for which the Auditors consulted with others outside of the engagement team; and noted that they will request certain representations from management that will be included in the management representation letter.

Additionally, Mr. Churchman noted that, to their knowledge, they are unaware of the RMTA seeking any “second opinion” consultations with other accountants. He also noted that they noted no fraud, illegal acts or violations of laws or regulations. He further noted that there are no events or conditions noted that indicate substantial doubt about the Authority’s ability to continue as a going concern.

Mr. Churchman also noted that the following GASB Statements will be effective for the Authority in the upcoming financial year and may have a significant impact on the Authority’s financial reporting: GASB Statement No. 87 – Leases; GASB Statement No. 91 – Conduit Debt Obligations; and GASB Statement No. 96 – Subscription based Information Technology Arrangements.

Next, Ms. Watson thanked Cherry Bekaert for their help in completing the FY21 Audit.

It was noted that Committee member Mulroy had provided comments to the draft report and all committee members agreed with the comments as presented.

Hearing no additional questions or comments and having no reason to move for a vote to go into executive session, the Committee members reviewed the draft resolution to accept the Comprehensive Annual Financial Report for FY21 and, upon motion duly made, seconded and unanimously carried by the affirmative votes of the Committee members present, the Committee moved to approve and accept the recommendations of the Audit. As such, the Committee planned to provide this recommendation to the full Board at the March 14, 2023 Board Meeting. All Committee members present affirmatively agreed with the motion.

Next, Ms. Dean commended Ms. Murphy and Ms. Watson for completing the Audit process, noting that they have worked tirelessly on this effort since October 2022 and their efforts are the primary reason the Audit is now complete.

Having no further business, the meeting was adjourned at 1:46 p.m.