

# Metropolitan Transportation Commission Audit Committee

November 16, 2022

Agenda Item 3a - 22-1507

## FY 2021-22 Financial Reports and Year End Audit Results

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**Recommendation:** Staff requests that the Audit Committee accept the audited financial reports for FY 2022 and approve the retention of Crowe LLP as the MTC external audit firm for FY 2023.

**Background:** There are several audit reports and financial reports to be presented to the Committee. The reports include the following:

- Audit Results and Required Communications
- The Metropolitan Transportation Commission (MTC) Reports on Federal Awards in Accordance with the Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2022
- MTC Annual Comprehensive Financial Report
- Bay Area Headquarters Authority (BAHA) Financial Statements
- Bay Area Infrastructure Financing Authority (BAIFA) Financial Statements
- Bay Area Housing Finance Authority (BAHFA) Financial Statements

The first two reports are communications between our audit firm, Crowe LLP and the Audit Committee. Crowe LLP has prepared a separate presentation to cover these reports. The last four reports are financial reports covering MTC operations and were prepared by MTC staff.

Overall, the opinion for all four reports is unmodified. There was one material weakness in internal controls reported in the MTC Annual Comprehensive Financial Report (ACFR) related to financial reporting of Clipper activities. Management's response will be discussed in conjunction with management's presentation of the MTC ACFR.

Staff recommends retention of Crowe LLP as the MTC audit firm for FY 2023. Crowe LLP was awarded the audit contract for MTC and ABAG after an extensive bid process. Crowe LLP will be in the fourth year of a five-year contract with two potential one-year extensions. Staff believes Crowe LLP has done an excellent job, especially given the shift to remote audit work and recommends their extension.

If you have any questions about this report, please contact Derek Hansel at (415) 778-6730.

**Recommendation:** Staff requests that the Audit Committee accept the combined reports including the Metropolitan Transportation Commission (MTC) Annual Comprehensive Financial Report and associated reports for the fiscal year ending June 30, 2022 and retention of Crowe LLP as the MTC external audit firm for FY 2023.

- Attachments:**
- FY 2021-22 MTC Annual Comprehensive Financial Report
  - FY 2021-22 Bay Area Headquarters Authority (BAHA) Financial Statements
  - FY 2021-22 Bay Area Infrastructure Financing Authority (BAIFA) Financial Statements
  - FY 2021-22 Bay Area Housing Finance Authority (BAHFA) Financial Statements



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