



# Virginia Passenger Rail Authority

## Presentation to the Audit Committee

*November 19, 2024*



# Our Audit Team

Mike Garber, CPA, MBA, Partner (Concurring Reviewer)

- State and Local Government co-leader for PBMares with over 30 years of experience

Dwight Buracker, CPA, Partner (Service Partner)

- State and Local Government partner for PBMares with over 20 years of experience with focus on transportation industry

Tyler Farnsworth, CPA, Director

- State and Local Government team member with over 10 years of experience

Hunter Simmons, CPA, Supervisor/In-Charge

- State and Local Government team member with over 5 years of experience

# Overall Audit Results

- Unmodified opinions on the basic financial statements. (pages 2 – 4)
- No items to report as required under Government Auditing Standards as of and for the year ended June 30, 2024 for internal control and compliance. (Pages 64-65)
- Audits completed as planned; no significant changes to our approach were required. Report was completed by the required September 30<sup>th</sup> deadline established by the Auditor of Public Accounts.

Special reports issued:

- Examination report for VRS compliance

# Overall Audit Results Continued

## Financial Statement Highlights:

- Net Position increased approximately \$210 million as indicated on page 19 of the financial statements.
- Unrestricted Net Position was \$635 million. This is the amount available to fund VPRA operations. (Page 18)
- Restricted Net Position was \$102 million. This amount is restricted for use by the source of revenue received . (Page 18)
- Net investment in capital assets was \$715 million. This amount represents VPRA's investment in equipment, rail infrastructure, construction in progress, right to use leased assets and subscription asset. (Page 18 and 33)

# Key Audit and Accounting Issues

## Significant Accounting Estimates

- Capital Assets– Depreciation and amortization
- Investments - valuation
- Pension and other postemployment benefits
- Lease liabilities and Right-to-use leased assets
- Subscription liability and Right-to-use Subscription Asset

## Audit Adjustments

- None

# Auditor's Required Communication

## Area

- Auditor's Responsibilities with Regard to the Financial Statement Audit
- Overview of the Planned Scope and Timing of the Audit
- Accounting Policies and Practices

## Comments

- Our responsibility under auditing standards generally accepted in the United States of America; Government Auditing Standards, and Specifications from the Auditor of Public Accounts (APA) have been described to you in our contract.
- Issued a separate letter regarding the planned scope and timing of the audit
- Adoption of, or change in, accounting policies
- Significant or Unusual Transactions
- Management's Judgments and Accounting Estimates

# Auditor's Required Communication

## Area

- Disagreements with Management
- Consultation with Other Accountants
- Significant issues Discussed with Management
- Significant Difficulties Encountered in Performing the Audit
- Certain Written Communication Between Management and Our Firm

## Comments

- None encountered
- We are not aware of any
- None
- None encountered. Great cooperation and complete access to all information required
- Arrangement Letter and Representation Letter.

# Other Communications

## Area

- Auditor's Judgment About the Quality of the Accounting Principles
- Fraud and Illegal Acts
- Independence
- Management letter

## Comments

- Management employs an appropriate level of conservatism in applying accounting principles.
- Inquiry of the Executive Committee about their knowledge of significant fraud or illegal acts.
- We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence.
- A separate management letter has been issued containing information related to upcoming GASB pronouncements and other recommendations.



# Additional Communication

We want to thank the VPRA Finance Team for all their upfront prep work and diligence in preparing for this year's audit. The effort put forth by your finance team to improve year-end audit preparation and processes was key to completing the audit ahead of the APA due date of September 30, 2024.

# Thank You!



## Questions, Comments, and Observations

**PBMares, LLP**

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ACCOUNTING & CONSULTING