

2026 Audit Entrance Meeting

Sound Transit

October 8, 2026



Discussion Points

1

Introductions

2

Audit Deliverables

3

Audit Approach

4

Timeline

5

Finance and Audit
Committee Planning
Inquiries

6

Emerging Issues

Crowe Background

6,000+
U.S. Professionals



38
U.S. Locations



80+
Years



Auditing
10
of top 25 public
transit agencies



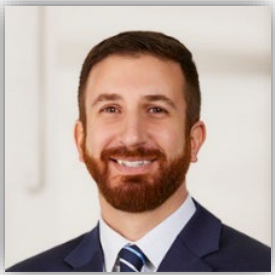
40,000+
Crowe Global Professionals



140+
Countries



Key Engagement Team Members



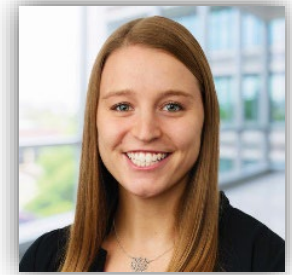
Brad Schelle
Engagement Partner



Kevin Smith
Concurring Review Partner



Katherine Brothers
Senior Manager



Stacy Curnow
Manager



Audit Deliverables

Financial Statement Audits

- Independent Auditor's Report (Sound Transit Financial Statements and Annual Report/ACFR)
- Management Letter (Communication of internal control deficiencies under SAS 115)
- SAS 114 Letter (Required communications with Those Charged With Governance)

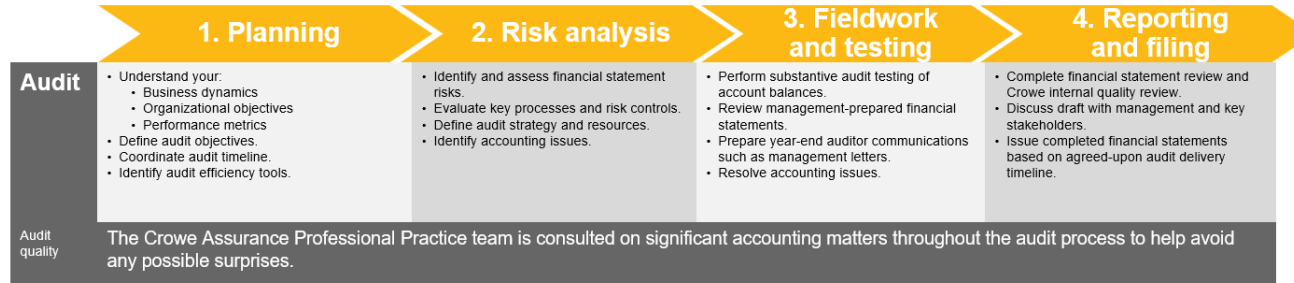
Federal Compliance Audit

- 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 Major Federal Program; Report on Internal Control over Compliance
- "In relation to" opinion on the Schedule of Expenditures of Federal Awards
- Crowe's electronic certification of the Data Collection Form through Federal Audit Clearinghouse

Agreed-Upon Procedures Reports

- National Transit Database Federal Funding Allocation Statistics Form
- Schedule of Sources and Uses of Funds by Subarea

Audit Approach



- Implementation of New Standards
 - GASB 103 and 104
- Internal Controls
- Federal Grant and Loan Compliance
 - Procurement
- Traditional Risk Areas (cash, debt, revenue, etc.)
- Debt Refunding
- IT Audit Procedures over Key Financial Systems
- Capital Projects
 - Crosslake Connection



Timeline

Date	Event
November 9	Interim financial audit fieldwork and Single Audit planning begin
February 22	Year-end financial audit and wrap up of Single Audit fieldwork to begin
March 26	Year-end testing fieldwork completed
April 9	Issue Sound Transit financial statements
May 24	Subarea AUP testing to begin
May 24	NTD testing to begin
June 25	Issue final Subarea AUP report
June 25	Issue final NTD AUP report
TBD – May 2027	Crowe to present final reports to Finance and Audit Committee



Finance and Audit Committee Planning Inquiries

In an effort to assist the Finance and Audit Committee in its oversight role, the following potential fraud risks in the public transit industry (not specific to Sound Transit) have been identified for discussion:

1. Misappropriation of assets
2. Undisclosed related party relationships
3. Unauthorized or improperly applied employee compensation and benefits
4. Loss of funds due to improper/unauthorized access to financial assets (i.e. hacking or phishing)
5. Loss of personal or sensitive information due to data breach
6. Misapplication or misuse of restricted funds



Finance and Audit Committee Planning Inquiries

- Fraud inquiries required by SAS 99
 - Management understands that it is their responsibility to prevent and detect fraud.
 - Management's views on the risks of material misstatement due to fraud, including the following:
 - Does management have knowledge of any fraud or suspected fraud affecting the entity?
 - Is management aware of any allegations of fraud or suspected fraud affecting the entity?
 - What is management's understanding about the risk of fraud in the entity, including any specific fraud risks the entity has identified or account balances or classes of transactions for which a risk of fraud may be likely to exist?
 - What programs or controls are established to reduce specific fraud risks that have been identified and how are these monitored?
 - How does management communicate to employees its view on business practices and ethical behavior?
 - Has management reported to the Committee (or others with the equivalent authority and responsibility) how the entity's internal control serve to prevent, deter, or detect material misstatement due to fraud?
- Committee feedback and planning input
- Communication and status updates

Emerging Issues

- Implementations on the horizon
 - 2026
 - GASB 105 – Subsequent Events
- Future Federal Funding





Thank You

Brad Schelle
brad.schelle@crowe.com

Smart decisions. Lasting value.™

“Crowe” is the brand name under which Crowe LLP, Crowe Advisory LLC, and their respective subsidiary entities provide professional services. Crowe LLP and Crowe Advisory LLC (and their respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards.

Crowe LLP is a licensed independent CPA firm that provides attest services to its clients. Crowe Advisory LLC and its subsidiary entities provide tax, advisory, consulting, and other nonattest services to their clients. Crowe Advisory LLC and its subsidiary entities are not licensed CPA firms. Crowe LLP and Crowe Advisory LLC are independent members of the Crowe Global network. Crowe Global and its member firms, including Crowe LLP and Crowe Advisory LLC, are not a worldwide partnership. Crowe Global and each member firm are separate legal entities. Services are delivered by the member firms; Crowe Global is a Swiss organization and does not render professional services to clients and does not have an ownership interest in Crowe LLP, Crowe Advisory LLC, or any other member firm. Crowe Global and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

The information contained in this document is not intended to constitute audit, tax, accounting, advisory, consulting, business, financial, investment, legal, or other professional advice and should not be relied upon as such. Some services may not be available to attest clients. The information is general in nature, based on authorities that are subject to change, and is not a substitute for professional advice or services. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Crowe is not responsible for any loss incurred by any person who relies on the information contained in this document.

For additional information about Crowe LLP, Crowe Advisory LLC, their subsidiary entities, and Crowe Global, please visit <https://www.crowe.com/disclosure>. © 2026 Crowe Advisory LLC. All rights reserved. The Crowe name and logo are trademarks used under license from Crowe Global.