

2024 Financial Audit Results

Sound Transit

May 8, 2025



Introduction – Crowe


6,500+
U.S. Professionals



37
U.S. Locations



80+
Years



Auditing
10
of top 25 public
transit agencies



36,500
Crowe Global Professionals



146
Countries



Objective and Scope of Work



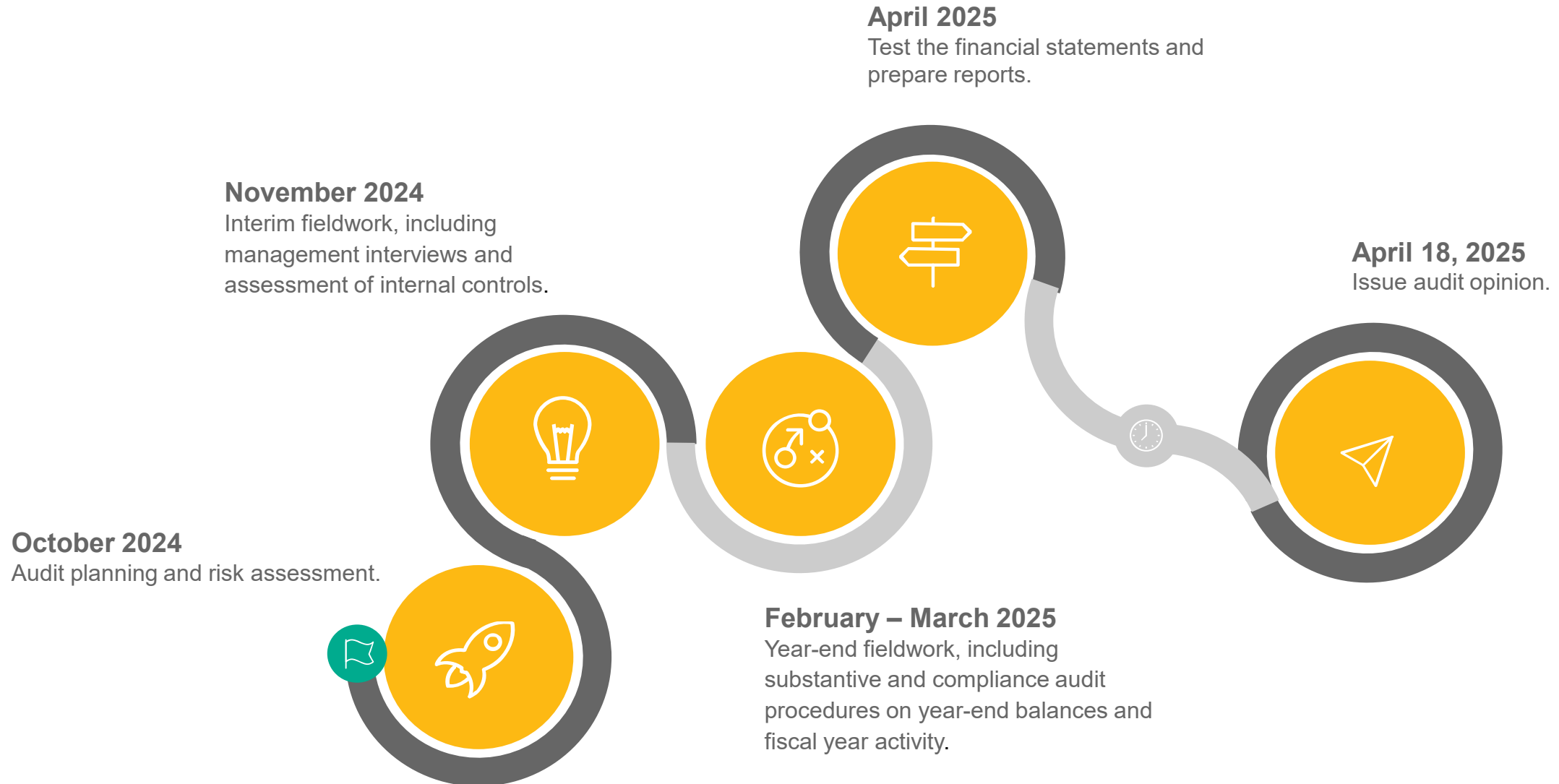
Objective

- Express an opinion on the presentation of the financial statements that comprise the Authority's basic financial statements

Scope of Work

- Obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Timeline





New Accounting Standards

GASB 102 – *Certain Risk Disclosures* – No significant impact

Audit Deliverables

Financial Statement Audits

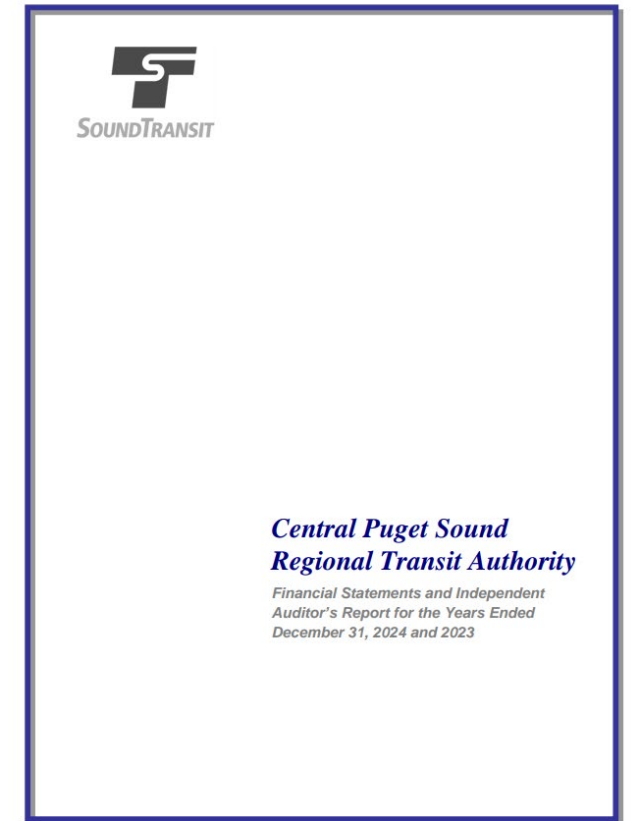
- Independent Auditor's Report (Sound Transit Financial Statements)
- Management Letter (Communication of internal control deficiencies under SAS 115)
- SAS 114 Letter (Required communications with Those Charged With Governance)

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 (will be completed in May)
- Schedule of Sources and Uses of Funds by Subarea (will be completed in May)





Fraud Considerations

General:

- Inquiry of management, employees, and Board about risks of fraud - none noted
- Consideration of unusual or unexpected relationships that have been identified in performing analytical procedures in planning the audit - none noted
- Consideration of whether fraud risk factors exist - none noted
- Consideration of other information gathered throughout the audit - none noted

Fraudulent Financial Reporting Procedures:

- Examination of journal entries and other adjustments for evidence of possible material misstatement due to fraud – no issues noted
- Review of accounting estimates for biases that could result in material misstatement due to fraud, including a retrospective review of significant prior year estimates – no issues noted
- Evaluation of the business rationale of significant unusual transactions – no issues noted
- Testing of revenue for proper cut-off – no issues noted

Required Communications to Those Charged with Governance

Topic	Comment
Independence Communication	<ul style="list-style-type: none">• We are not aware of any relationship between Crowe LLP and Sound Transit that, in our professional judgment, may reasonably be thought to impair our independence<ul style="list-style-type: none">• We are performing consulting services related to the benchmarking of peer capital cost allocation methodologies, but this does not impair independence
Significant Accounting Policies	<ul style="list-style-type: none">• No new accounting policies
Management's Judgments and Accounting Estimates	<ul style="list-style-type: none">• Fair value of investments• Estimated useful lives of capital assets and lease assets• Discount rate of lease and subscription agreements
Auditor's Judgments About Qualitative Aspects of Significant Accounting Practices	<ul style="list-style-type: none">• Appropriateness of accounting policies• Adequacy of financial statement disclosures• Timing of transactions• Significant risks, exposures and unusual transactions - None• Selective correction of misstatements – None

Required Communications to Those Charged with Governance (Continued)

Topic	Comment
Corrected and Uncorrected Misstatements	<p>No corrected misstatements</p> <p>One uncorrected reclassifying adjustment – An adjustment to reclassify current investments to noncurrent was waived by management. The impact of the entry would have reduced current assets and increased noncurrent assets by approximately \$162 million.</p>
Significant Deficiencies and Material Weaknesses	None noted
Other Communications: <ul style="list-style-type: none">• Other Information in Documents Containing Audited Financial Statements• Significant Difficulties Encountered During The Audit• Disagreements With Management• Consultations With Other Accountants• Representations The Auditor Is Requesting From Management• Significant Issues Discussed, Or Subject To Correspondence, With Management• Significant Related Party Findings and Issues• Other Finding or Issues We Find Relevant or Significant	No matters noted

Emerging Issues

- Implementations on the horizon
 - Calendar 2025
 - None required
 - Calendar 2026
 - GASB 103 – *Financial Reporting Model*





Thank you

Brad Schelle

Partner

Brad.Schelle@crowe.com

"Crowe" is the brand name under which the member firms of Crowe Global operate and provide professional services, and those firms together form the Crowe Global network of independent audit, tax, and consulting firms. Crowe may be used to refer to individual firms, to several such firms, or to all firms within the Crowe Global network. The Crowe Horwath Global Risk Consulting entities, Crowe Healthcare Risk Consulting LLC, and our affiliate in Grand Cayman are subsidiaries of Crowe LLP. Crowe LLP is an Indiana limited liability partnership and the U.S member firm of Crowe Global. Services to clients are provided by the individual member firms of Crowe Global, but Crowe Global itself is a Swiss entity that does not provide services to clients. Each member firm is a separate legal entity responsible only for its own acts and omissions and not those of any other Crowe Global network firm or other party. Visit www.crowe.com/disclosure for more information about Crowe LLP, its subsidiaries, and Crowe Global.

The information in this document is not – and is not intended to be – audit, tax, accounting, advisory, risk, performance, consulting, business, financial, investment, legal, or other professional advice. Some firm services may not be available to attest clients. The information is general in nature, based on existing authorities, and is subject to change. The information is not a substitute for professional advice or services, and you should consult a qualified professional adviser before taking any action based on the information. Crowe is not responsible for any loss incurred by any person who relies on the information discussed in this document. © 2025 Crowe LLP.