

2025 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed upon Procedure Report





Utah Transit Authority

2025 AUDIT PRESENTATION | June 22, 2026



Key Engagement Team Members



Brad Schelle – Engagement Signing Partner



Stacy Curnow – Audit Manager



Kathy Lai – Concurring Review Partner



Sam Rust – Audit Senior Staff

Audit Approach

Objective

- Express an opinion on the presentation of the financial statements

New Accounting Standards

- GASB 102 – Certain Risk Disclosures – No Impact



Timeline

May – June 2026

Test the financial statements and prepare to issue the audit opinion.

June 2026

Presentation of results to the Audit Committee

January 2026

Interim fieldwork, including management interviews and assessment of internal controls.

April – May 2026

Year-end fieldwork, including substantive audit procedures on year-end balances and fiscal year activity.

December 2025

Audit planning and risk assessment.



Audit Deliverables

Financial Statements

- Independent Auditor's Report
- SAS 114 Letter
- Management Letter

Compliance

- 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 Each Major Federal Program; Report on Internal Control over Compliance
- Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the *State Compliance Audit Guide*
- "In relation to" opinion on the Schedule of Expenditures of Federal Awards
- Crowe's electronic certification of the Data Collection Form through Federal Clearinghouse
- Agreed Upon Procedures report on National Transit Database Federal Funding Allocation Statistics Form



Audit Results

- Unmodified (clean) opinion
- One material weaknesses in internal controls
 - Accounting for capital and subscription assets
- No significant deficiencies in internal controls
- Five deficiencies communicated via the management letter
 - SEFA reporting (recurring)
 - GASB 101 – Compensated absences (recurring)
 - Payment of invoices within 60 days in accordance with Utah State Law (recurring)
 - Grant revenue and receivables
 - Revenue vehicle depreciation (recurring)



Audit Results (continued)

- Two corrected audit adjustments
 - To transfer capitalizable project expenses from expense to Construction in Progress (CIP). As a result, there was an increase in assets of \$11.6 million and a decrease in 2025 expenses of the same amount.
 - To reverse capitalization of project costs in 2025 that were already capitalized in 2024. As a result, there was a decrease in assets of \$26.0 million and an increase in 2025 expenses of the same amount.

Audit Results (continued)

- Three waived or uncorrected audit adjustments
 - To transfer completed projects placed into service prior to December 31, 2024 from construction in progress (CIP) to a depreciable capital asset. The impact of waiving this adjustment is that CIP is overstated by \$6.6 million and depreciable capital assets is understated by the same amount. There is no net impact.
 - To correct over-depreciation of assets capitalized in 2025. As a result, capital assets and change in net position are understated by \$20.9 million and 2025 depreciation expense is overstated by the same amount.
 - To true-up accumulated depreciation and depreciation expense of revenue vehicles under the prospective method. As a result, capital assets and change in net position are understated by \$6.5 million and 2025 depreciation expense is overstated by the same amount.
- No observations noted in the NTD testing

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

Other Required Communications

Topic	Comment
Independence Communication	<ul style="list-style-type: none"> • We are not aware of any relationship between Crowe LLP and the Authority that, in our professional judgment, may reasonably be thought to impair our independence. We did assist in the preparation of the ACFR, but utilized the trial balance and documents from the Authority to prepare them.
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 • Actuarial assumptions used in net pension liability calculations • Loss contingencies
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

Other Required Communications (continued)

Topic	Comment
<p>Other Communications:</p> <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 issues noted.

Emerging Issues



Implementation 12/31/2026

- GASB 103, *Financial Reporting Model Improvements*
- GASB 104, *Disclosure of Certain Capital Assets*

Implementation 12/31/2027

- GASB 105, *Subsequent Events*



Thank You

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