



Utah Transit Authority

2024 AUDIT PRESENTATION | June 16, 2025

Key Engagement Team Members



Brad Schelle – Engagement Signing Partner



Stacy Curnow – Audit Manager

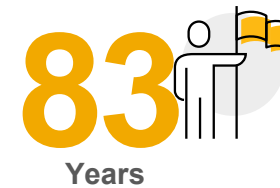


Kathy Lai – Concurring Review Partner



Morgan Kintner – Audit Senior Staff

Crowe Background



Audit Approach

Objective

- Express an opinion on the presentation of the financial statements

New Accounting Standards

- GASB 101 – Compensated Absences – see Note 2 of the Financial Statements



Timeline

May – June

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

June 2025

Presentation of results to the Audit Committee

December 2024

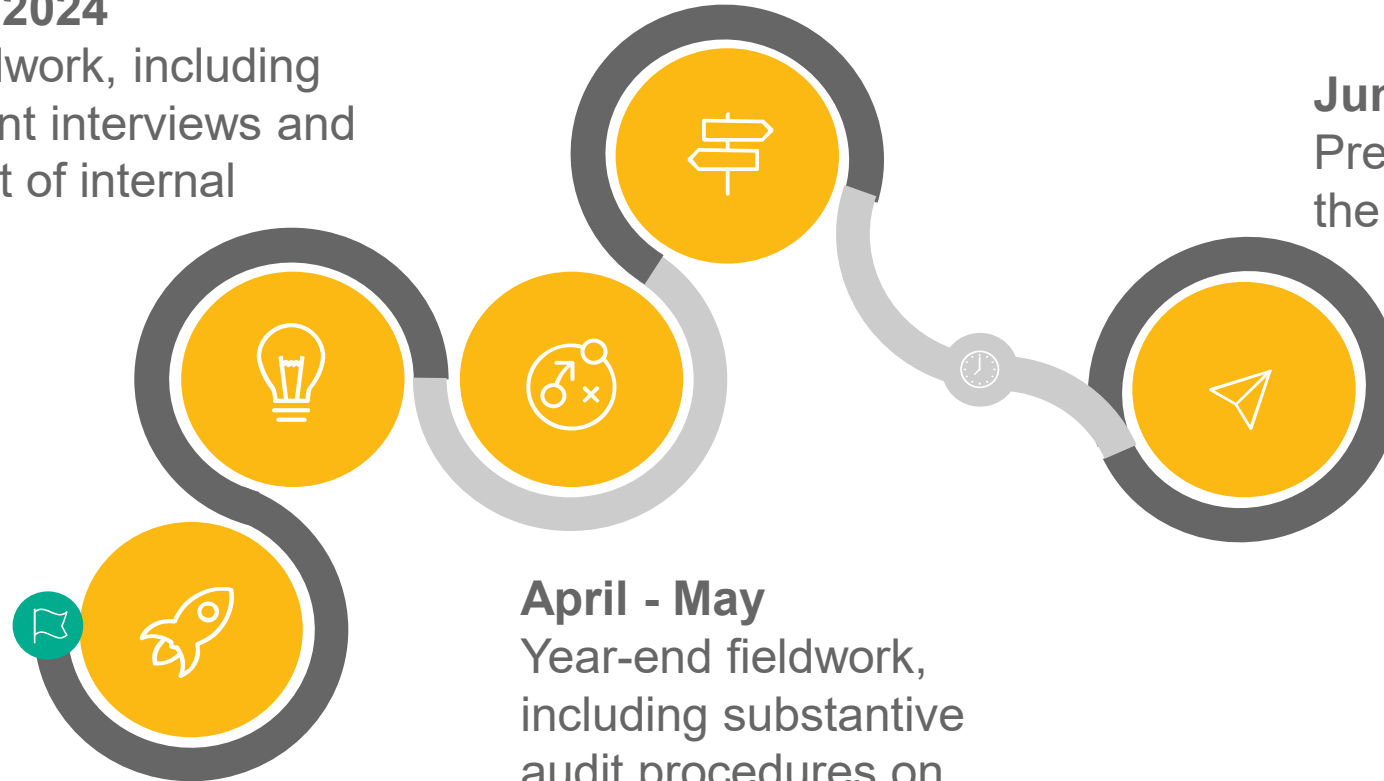
Interim fieldwork, including management interviews and assessment of internal controls.

April - May

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

October 2024

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
- No material weaknesses in internal controls
- One significant deficiency in internal controls
 - Accounting for capital and subscription assets
- Five deficiencies communicated via the management letter
 - Federal grant revenue
 - Improper accrual of expenses (recurring)
 - GASB 101 implementation
 - Revenue vehicle depreciation (recurring)
 - Payment of invoices within 60 days in accordance with Utah State Law (recurring)



Audit Results (continued)

- Three audit adjustments
 - To properly record subscription asset and liability for new agreements entered into in 2024. This increased assets by \$14.3 million, increased liabilities by \$4.8 million, and decreased 2024 expenses by \$9.5 million.
 - To remove grant revenue and receivable related to expenditures not able to be claimed until a budget revision is executed on the grant. This decreased assets by \$2.7 million and decreased 2024 revenue by the same amount.
 - To record an accrual for December purchased transportation services provided. This increased liabilities by \$322 thousand and increased 2024 expenses by the same amount.
- Two waived or uncorrected 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 \$8.9 million and depreciable capital assets is understated by the same amount. There is no net impact.
 - To transfer capitalizable expenses from an expense account to CIP. The impact of waiving this adjustment is that CIP is understated by \$5.7 million and 2024 expenses are 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	<p>No issues noted.</p>

Emerging Issues



Implementation 12/31/2025

- GASB 102, *Certain Risk Disclosures*

Implementation 12/31/2026

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

Inflation Reduction Act Tax Credits



Thank You

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Audit Partner

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