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CPAs & BUSINESS ADVISORS

TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

Communication With Those Charged With Governance

AUDIT SCOPE

- Audit of the Tri-County Metropolitan Transportation District of Oregon (District) Annual Financial Report as of June 30, 2025, in accordance with Auditing Standards Generally Accepted in the USA
- Report on internal control over financial reporting and on compliance in accordance with *Government Auditing Standards*
- Report on Federal Compliance in Accordance with the Uniform Guidance
- Report on Compliance in Accordance with Oregon Municipal Corporation Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.

- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SUMMARY OF AUDIT RESULTS

Financial Statements	• Unmodified opinion on the financial statements
Government Auditing Standards	• No significant deficiencies • No instances of noncompliance reported

SUMMARY OF AUDIT RESULTS

Uniform Guidance

- The OMB Circular and the audit guide from the federal government is delayed.
- We used the draft audit guide from OMB and based on the procedures performed, we are likely not going to report noncompliance or deficiencies in the internal controls.

Oregon Municipal Corporations

- No significant deficiencies
- No instances of noncompliance reported

AUDITOR COMMUNICATIONS

Ethics and Independence

- We have compliled with all relevant ethical requirements regarding independence.

Significant Estimates

- Taxes Receivables, Net Pension Liability and Net OPEB Liabilities

AUDITOR COMMUNICATIONS

Sensitive Disclosures

- Net Other Postemployment Benefits Liability and Net Pension Liability (Note 13 and Note 14)

Misstatements

- No items reported

Consultations with Other Accountants

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

AUDITOR COMMUNICATIONS

Significant Difficulties

- We encountered no difficulties in dealing with management.

Implementation of GASB Statement No. 101, *Compensated Absences*

- The District's additional liability related to compensated absences was $3.1 million. The entire amount was included in the statement of operations as an expense (as opposed to restating the beginning equity). The amount was not material and therefore, we passed on proposing an audit adjustment to the beginning equity.

Disagreements with Management

- No disagreements arose during the course of the audit

AUDITOR COMMUNICATIONS

Significant Areas tested

- As part of our audit procedures, we incorporated unpredictability procedures which including the following
  - Additional audit procedures related to year end amounts reported for inventory
  - We visited four yards and performed expanded audit procedures
- We have no exceptions to report

Annual Comprehensive Financial Report

- As part of report review process, we performed procedures to review the District's Annual Comprehensive Financial Report. The District received it's first Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

THANK YOU

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