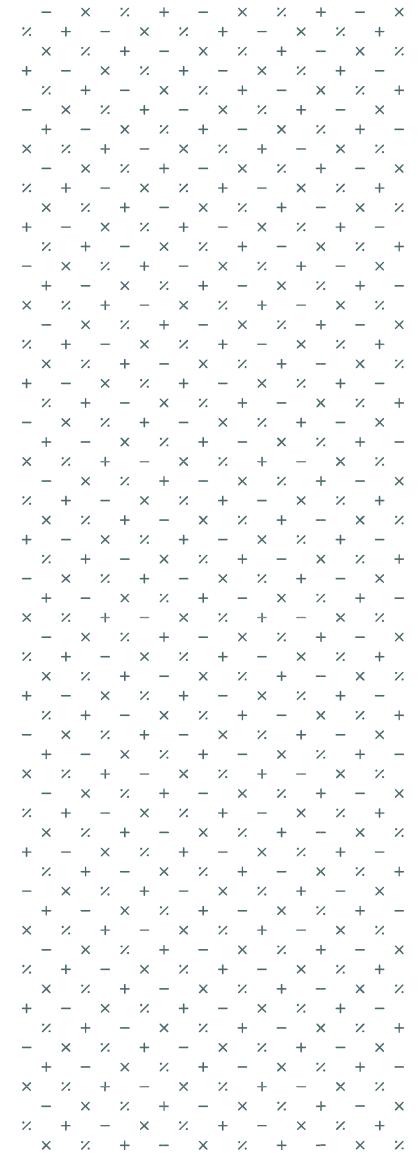




# 2025 Audit Entrance

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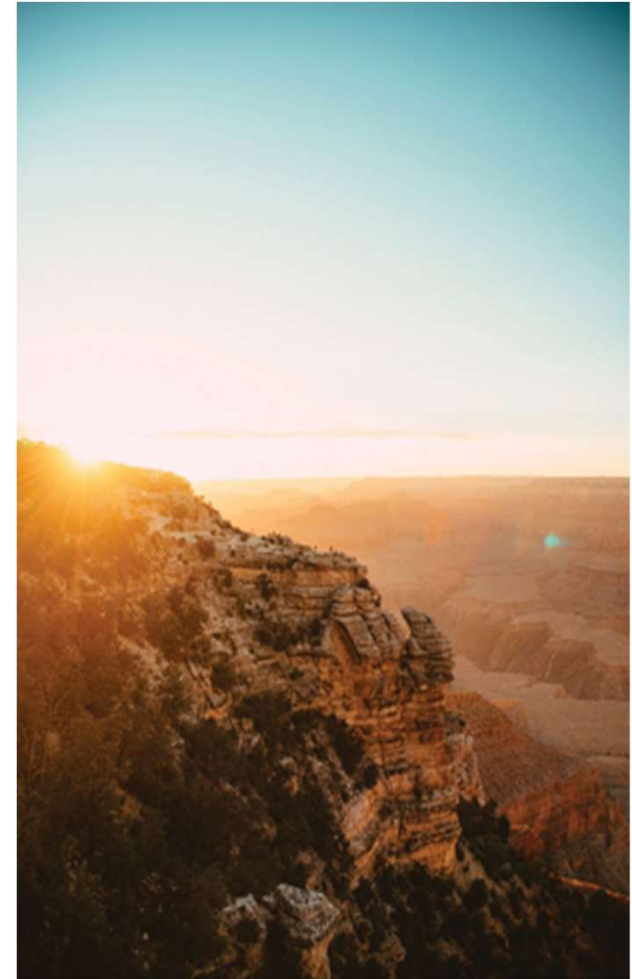
# Audit Committee

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Dear Audit Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for state and local governments. We're pleased to present our audit plan for Metro for the year ending June 30, 2025. We'd also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.



# More than a Merger. A Multiplier.

Moss Adams and Baker Tilly joined forces in June to create the sixth-largest CPA advisory firm in the country, aimed at serving the specific needs of the middle market. With complementary strengths, shared values, and a forward-thinking mindset, the combined firm will offer:

- Broader geographic reach across the U.S. and around the globe
- Greater depth across key industries
- More comprehensive capabilities in advisory, tax, and assurance services
- Stronger investment in innovation and talent

*For more information about the combination, visit [mossadams.com/moss-adams-and-baker-tilly-join-forces](https://mossadams.com/moss-adams-and-baker-tilly-join-forces)*

**MORE THAN A MERGER.  
A MULTIPLIER.**



## Your Dedicated Team



**Ashley Osten**  
*Engagement Reviewer  
and Partner*



**Amanda Moore**  
*Concurring Reviewer  
and Partner*



**Anna Waldren**  
*Senior Manager*



**Alice Richichi**  
*Manager, Risk Advisory  
& Compliance – IT*



# Required Communications to Those Charged with Governance



# Our Responsibilities

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Assess if the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit doesn't relieve you or management of your responsibilities.

Perform an audit in accordance with:

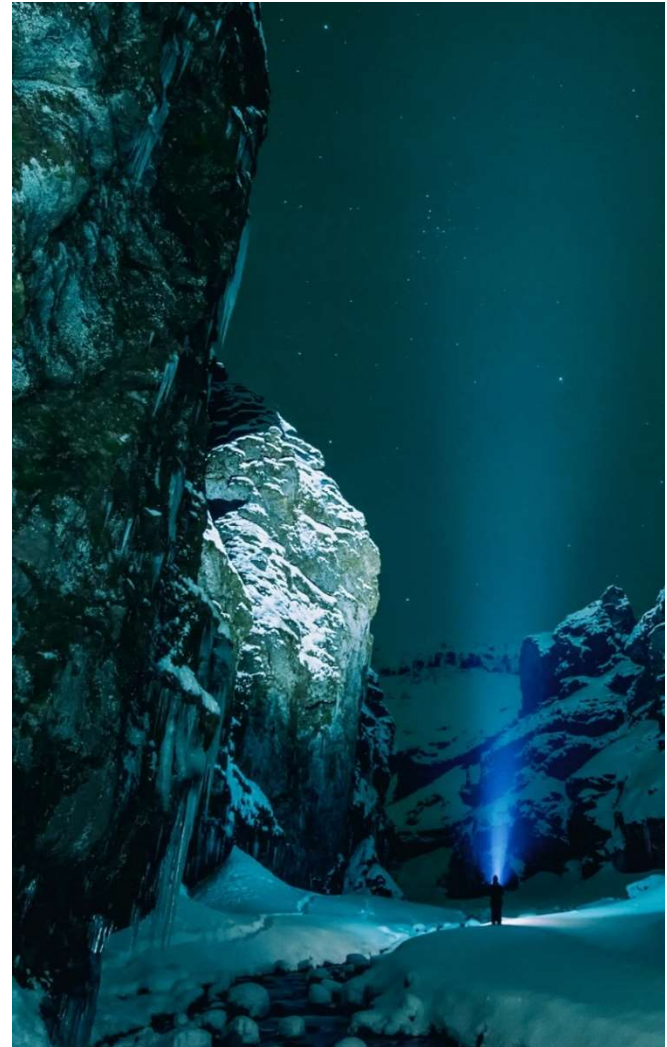
- Generally accepted auditing standards issued by the AICPA
- *Government Auditing Standards* issued by the Comptroller General of the United States

Design the audit to provide assurance about whether the financial statements are free of material misstatement.

Consider internal controls over financial reporting and compliance as a basis for designing effective audit procedures.

Communicate findings that are relevant to your responsibilities in overseeing the specific matters of financial reporting process and administering federal awards.

When applicable, communicate particular matters required by law or regulation, by agreement with you, or by other requirements applicable to the engagement.



# Audit Process

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## Internal Controls

- Includes walkthroughs and testing of key controls over significant accounting cycles
- Includes information technology



## Analytical Procedures

- Revenue and expenses
- Trends, comparisons, and expectations



## Substantive Procedures

- Confirm account balances
- Vouch to supporting documentation
- Representations from attorneys and management
- Examine objective evidence



# What's Materiality?

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It's the amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements.



It's calculated using certain **quantitative** (total assets, total revenues, and total net position) and **qualitative** factors (covenants, expectations, or industry factors).

It identifies:

SIGNIFICANT  
RISK AREAS

NATURE,  
TIMING, EXTENT,  
AND SCOPE OF  
TEST WORK

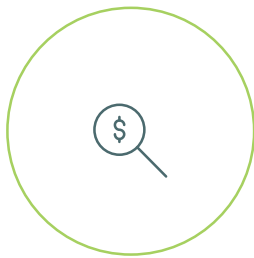
FINDINGS OR  
MISSTATEMENTS





# Significant Audit Areas

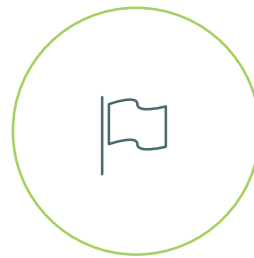
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**EXISTENCE OF  
CASH AND  
VALUATION OF  
INVESTMENTS  
ALONG WITH  
RELATED  
FINANCIAL  
STATEMENT  
DISCLOSURES**



**REVENUE  
RECOGNITION  
AND VALUATION  
OF RECEIVABLES  
AND ADVANCES**



**EXISTENCE AND  
VALUATION OF  
CAPITAL ASSETS**



**COMPLETENESS  
OF BONDS  
PAYABLE AND  
RELATED  
FINANCIAL  
STATEMENT  
DISCLOSURES**



**COMPLIANCE  
WITH FEDERAL  
LAWS AND  
REGULATIONS  
AND OREGON  
MINIMUM  
STANDARDS**



# Information Technology Assessment

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## Scoping

### Financial Applications

- KMIT (Wild Republic)
- LeaseCrunch
- Momentum – *f/k/a Ungerboeck (USI)*
- PeopleSoft Financials
- PeopleSoft HRMS
- Recreation Dynamics – *f/k/a US eDirect*
- SWIS (Solid Waste Info System)
- Weighmaster / Strong Data

### Supporting Infrastructure

- Active Directory

## Planned Procedures

### Cybersecurity Questionnaire

### Follow-up on PY deficiencies

### Design & Operating Effectiveness of ITGCs

- Change Management
- Security
- Operations
- System Development Lifecycle (SDLC)

## Schedule

### Advanced Request List

- Week of April 14<sup>th</sup>

### Fieldwork

- Weeks of May 12<sup>th</sup> through June 2<sup>nd</sup>

### Observation Memo

- Anticipated by June 20<sup>th</sup>

### Final Results

- November Audit Committee



# Consideration of Fraud

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**AUDITORS MUST CONSIDER FRAUD TO “IMPROVE THE LIKELIHOOD THAT AUDITORS WILL DETECT MATERIAL MISSTATEMENTS DUE TO FRAUD IN A FINANCIAL STATEMENT AUDIT.”**

**To identify fraud-related risks of material misstatement, we:**

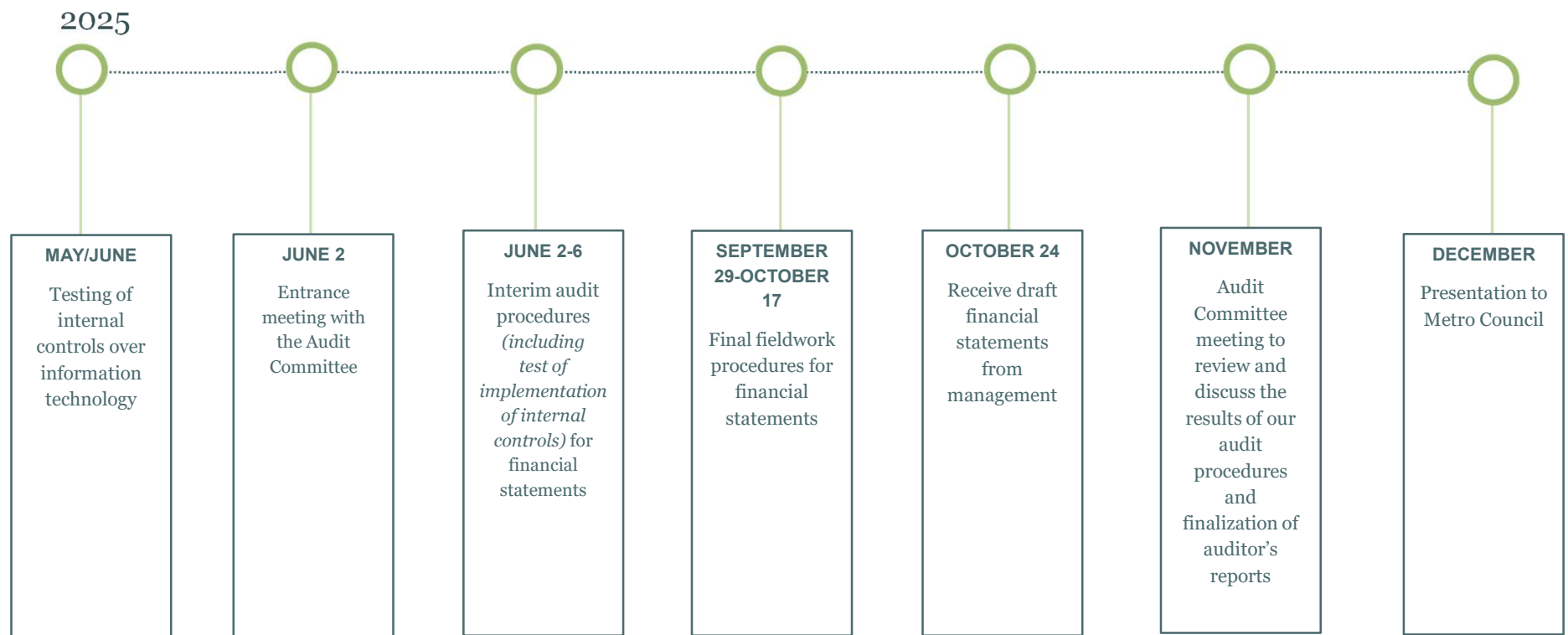
- Brainstorm with team
- Meet with Metro Auditor
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

**Procedures we perform:**

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate rationale for significant unusual transactions



# Audit Timing



# Recent Accounting Developments

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## Standards to Adopt in 2025

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### GASB 101, *Compensated Absences*

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

### GASB 102, *Certain Risk Disclosures*

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.





## Standards to Adopt in 2026

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### GASB 103, *Financial Reporting Model Improvements*

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

### GASB 104, *Disclosure of Certain Capital Assets*

The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosure required by Statement 34. This statement also requires additional disclosures for capital assets held for sale



## INDUSTRY FOCUS

# An Array of Resources

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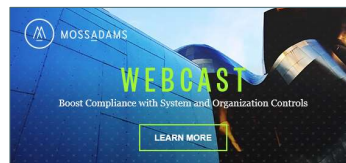
In today's fast-paced world, we know how precious your time is. We also know that knowledge is key. These resources offer what you need to know, when you need to know it, and in the format that fits your life.



### Articles & Alerts

Industry-specific insight and important tax and assurance updates

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### Webcasts

On demand and live sessions with our professionals on technical and timely topics

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### Reports & Guides

A more in-depth look at significant changes and subjects across the accounting landscape

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## Contact Us

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THANK  
YOU