



# Port of Seattle

## 2025 Audit Planning

### Discussion with the Audit Committee



# Agenda



Your Service Team



Scope of Services



Auditor's Responsibility in a Financial Statement Audit



Significant Risks Identified



Audit Timeline



Recent and Upcoming Accounting Developments



# Your Service Team



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# Scope of Services

## Annual Audit

- Annual audit and report on the financial statements for the year ending December 31, 2025, for the Port's Enterprise Fund and Fiduciary Fund, comprised of the Warehousemen's Pension Trust Fund, included in the Port's Annual Comprehensive Financial Report;
- Audit and report on compliance related to Major Federal Award Program(s), the Schedule of Expenditures of Federal Awards, and related internal controls;
- Audit and report on the schedule of Passenger Facility Charge (PFC) program receipts and expenditures, and related internal controls;
- Audit and report on the schedule of net revenues available for revenue bond debt service;
- Communication to Those Charged With Governance and Internal Control Related Matters.

## Limited Procedures

- Required Supplementary Information
  - Management's discussion and analysis
  - Pension schedules and related disclosures
  - Other Postemployment Benefits (OPEB) schedules and related disclosures
- Agreed Upon Procedures and report to State of Washington Department of Ecology relating to Terminal 91 Facility
- Agreed Upon Procedures and report to the Environmental Protection Agency relating to East Waterway SRI/FS



# Auditor's Responsibilities in a Financial Statement Audit

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 reasonable 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 the 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.



# Significant Risks Identified

During the planning of the audit, we have identified the following significant audit risks:

**INTERNAL CONTROL  
OVER FINANCIAL  
REPORTING AND  
SIGNIFICANT BUSINESS  
CYCLES**

CASH RECEIPTS, CASH,  
DISBURSEMENTS,  
PAYROLL, PROJECT  
MONITORING &  
CONSTRUCTION IN  
PROGRESS COST  
ADDITIONS

**FINANCIAL SYSTEMS IT  
CONTROL TESTING**

**EXISTENCE AND  
VALUATION OF  
CAPITAL ASSETS**

**CLASSIFICATION OF  
CONSTRUCTION IN  
PROGRESS BALANCES**

**REVENUE  
RECOGNITION**

**EVALUATION OF LEASE  
REVENUE AND  
RELATED RECEIVABLE  
BALANCES**

**MANAGEMENT  
ESTIMATES**

ENVIRONMENTAL  
LIABILITY AND LEGAL  
RESERVES, PENSION  
ASSUMPTIONS

**COMPLIANCE WITH  
FEDERAL LAWS AND  
REGULATIONS,  
UNIFORM GRANT  
GUIDANCE  
(SINGLE AUDIT)**

# Audit Timeline

**2025**

**2026**

**SEPTEMBER/OCTOBER**

Planning meetings with management  
Audit planning and risk assessment  
Interim testing of internal controls  
Assessment of IT environment and testing of system internal controls

**DECEMBER**

Entrance meeting with Audit Committee

**MARCH/APRIL**

Perform final audit fieldwork for the financial statements, Single Audit, and PFC

**BY APRIL 30**

Final QC reviews, and finalize auditors' reports  
Presentation of audit results to management

**MAY**

Presentation of the audit results to Audit Committee  
Perform AUP procedures as required by the EPA and Department of Ecology

# **Recent Accounting Developments**

## **GASB Standards**

- GASB Statement No. 102, *Certain Risk Disclosures* (effective 2025)
- GASB Statement No. 103, *Financial Reporting Model Improvements* (effective 2026)
- GASB Statement No. 104, *Disclosures of Certain Capital Assets* (effective 2026)

**THANK  
YOU**