

ACTA ***Audit Committee Meeting***

December 13, 2018



ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY

Item 2

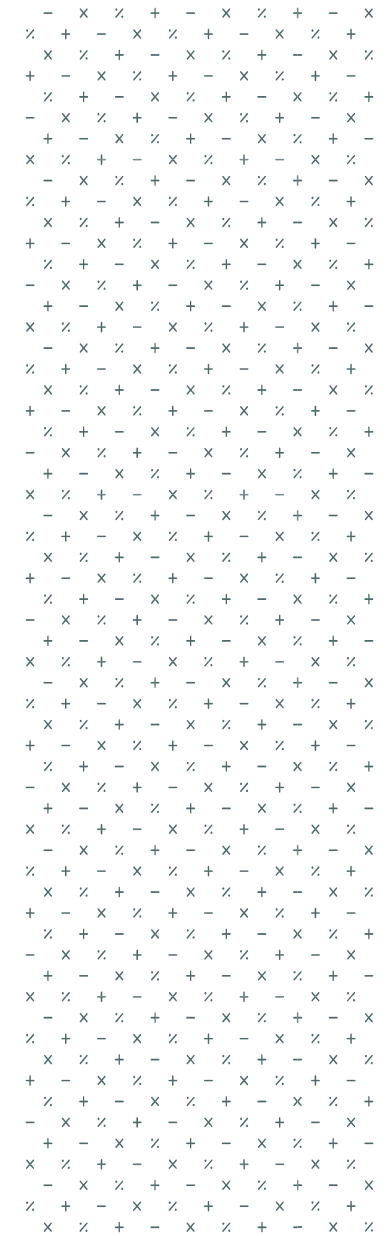
Audit Results





2018 Audit Results

Better Together: Moss Adams &
Alameda Corridor Transportation Authority



Audit Committee

Alameda Corridor
Transportation Authority

Dear Audit Committee Members:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the financial statements and federal program compliance of the Authority for the year ended June 30, 2018.

The accompanying report, which is intended solely for the use of the Audit Committee and Management and not intended to be and should not be used by anyone other than these specified parties, presents important information regarding the Authority's financial statements and our audit that we believe will be of interest to you.

We conducted our audit with the objectivity and independence that you expect. We received the full support and assistance of the Authority's personnel. We are pleased to serve and be associated with the Authority as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.





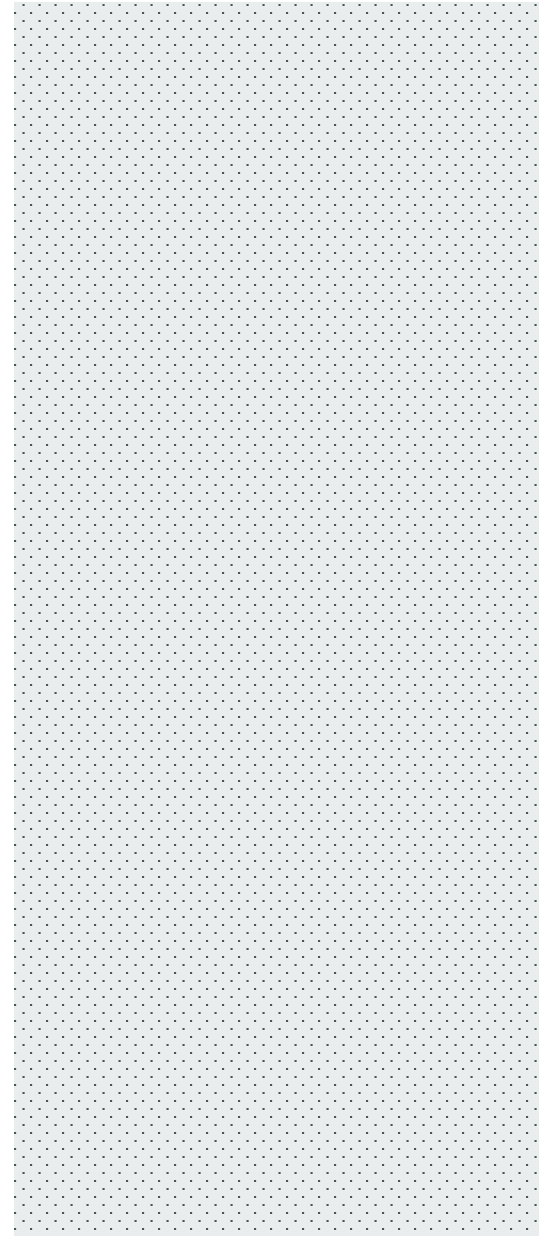
Agenda

1. Auditor Opinions and Reports
2. Communication with Those Charged with Governance
3. Upcoming Accounting Pronouncements



Auditor Report on the Financial Statements

- Unmodified opinion on the financial statements, which are presented fairly and in accordance with US GAAP
- Audit opinions dated October 25, 2018



Other Auditor Reports



GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

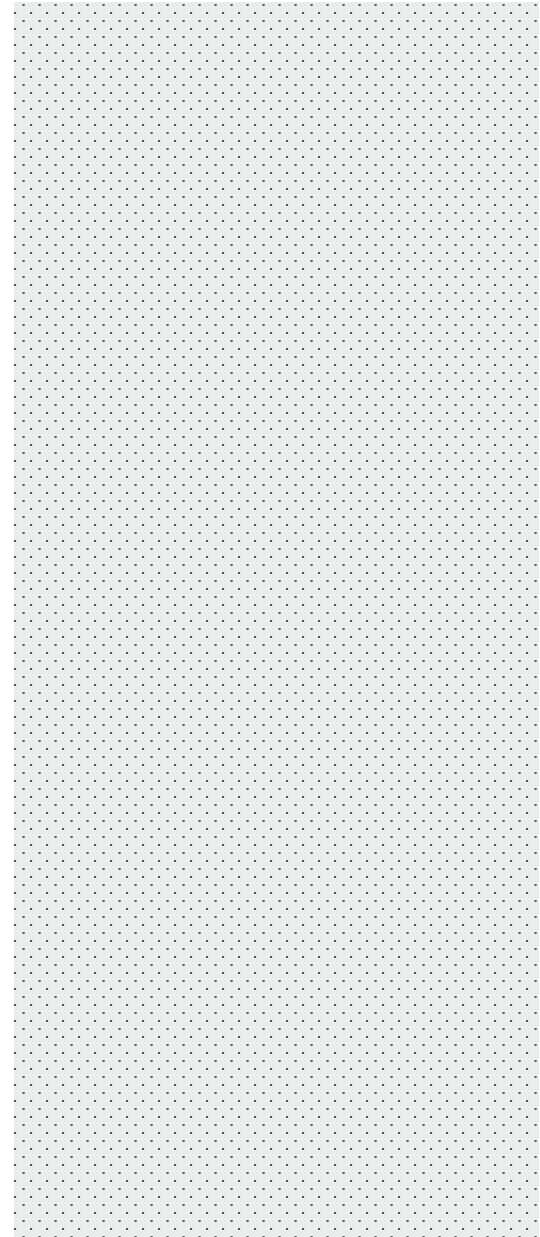
- No financial reporting findings
- No compliance findings

Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Programs and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)

- No control findings
- No compliance findings



Communication with Those Charged with Governance



Our Responsibility Under US Generally Accepted Auditing Standards and Government Auditing Standards



Audit – GAAS & GAGAS



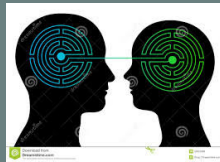
Read Other Information



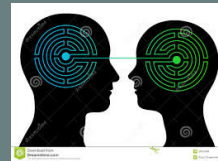
Report Non-Compliance (Single Audit)



Express Opinion / Issue Reports



Communicate – Audit Committee



Communicate – Management



Management's Responsibilities



Prepare Accurate FS



Internal Controls



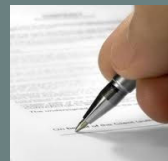
Compliance



Report Fraud



Make Available



Representation Letter

Areas of Audit Emphasis

- **Internal control environment**

- Cash receipts/receivables, cash disbursements/payables, financial close and reporting, administration of federal awards;

- **Management estimates**

- Useful lives of long-lived assets, valuation of investments, net pension liability & net OPEB asset, and related deferred outflows and inflows of resources, contingencies;

- **Debt activity**

- Debt repayment, discounts and premiums, compliance with covenants;

- **Revenue Recognition**

- Operating revenue analysis via confirmations with the railroads and cash proof;
- Consideration of the collectability of related receivables

- **One major federal program tested this year –**

- U. S. DOT Highway Planning n& Construction Cluster - \$1.15 Million

Required Communications

- **Audit was performed according to the planned scope**
- **Significant accounting policies are summarized in Note 1 to the financial statements**
 - *There were no changes to significant accounting policies for the year ended June 30, 2018. We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.*
- **Representations were requested and received from management**
- **There were no proposed or passed audit adjustments**
- **There were no disagreements with management**
 - *The audits progressed on time and in an orderly fashion; all requested schedules were received on a timely basis. All personnel were courteous, and responded to all of our requests in a timely manner.*

Required Communications (continued)

- **New accounting pronouncement implemented in 2018**
 - *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Other than Pensions*
- **Consultation with other independent auditors (none of which we are aware)**
- **Difficulties encountered during the audit (none)**
- **Ability to continue as a going concern (no disclosure necessary)**
- **Consideration of fraud in a financial statement audit**
 - *Procedures performed included journal entry testing, vendor analysis, and interviews of personnel*
- **Moss Adams is independent with respect to ACTA**

Upcoming Accounting Pronouncements

- **GASB 83 – *Certain Asset Retirement Obligations (effective in 2019)*: Addresses accounting and financial reporting for certain asset retirement obligations. We will work with management to plan for the implementation of this standard.**
- **GASB 84 – *Fiduciary Activities (effective in 2019)*: Addresses the improvement of guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. We will work with management to plan for the implementation of this standard.**
- **GASB 87 – *Leases (effective in 2020)*: Addresses recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. We will work with management to plan for the implementation of this standard.**



Contact Us



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THANK
YOU

Item 5

ACTA Succession Planning Preliminary Report



Succession Planning Preliminary Report

At the November 2017 Audit Committee meeting, the need for the following was discussed:

- Succession planning for positions
- Documenting ACTA processes
- Maintaining status reports

Succession Planning Preliminary Report

In response, staff has provided the following for discussion:

- Draft succession planning white paper
 - Defines and describes ACTA Officer and non-officer positions
 - Discusses identifying candidates
- List of ACTA positions and “Representative Duties”
- Sample “Task Status Report”

Succession Planning Preliminary Report

Filling Positions:

- ACTA Officers filled by Board
- Non-officer positions filled by CEO
- Filling vacated positions may involve:
 - Grooming employees as candidates
 - Soliciting candidates from local cities, ports and other agencies
 - Engaging national executive search