



# Audit Results

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BETTER TOGETHER: MOSS ADAMS & ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY

# Audit Committee

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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 of Alameda Corridor Transportation Authority (the “Authority”) for the year ended June 30, 2022.

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 our audit of the Authority’s financial statements 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 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

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1. Auditor Opinions & Reports
2. Communications with Those Charged with Governance
3. Recent Accounting Developments
4. Exhibit 1: Management Representation Letter





# Auditor Opinions & Reports



# Auditor Report on the Financial Statements

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## Unmodified Opinion

- The Authority's financial statements are presented fairly and in accordance with generally accepted accounting principles in the United States (U.S. GAAP).



# Other Auditor Reports

Report of Independent Auditors 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*

- No financial reporting findings reported.
- No compliance findings reported.

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

- No findings were reported.
- Unmodified opinion on compliance
- No material instances of non-compliance were reported.



# Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Audit Committee.

## OUR COMMENTS

- Material weakness
  - None noted
- Significant deficiencies and non-compliance
  - None noted
- Other recommendations
  - We noted that the Principal Accountant has administrative access rights to the general ledger and plays key roles in the issuance of checks and/or wires. Although there are a number of compensating controls that would detect material errors, controls could be tightened through enhanced segregations of duties among current staff to further ensure that errors are prevented.





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# Communications with Those Charged with Governance





# Scope of Services

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## Relationships between Moss Adams and Alameda Corridor Transportation Authority:

### Annual Audit



Annual financial statement audit for the year ended June 30, 2022

### Non-Attest Services



We assisted with partial drafting of the financial statements

We assisted with drafting the auditee portion of the Data Collection Form for the year ended June 30, 2022



# Our Responsibility Under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

**1** To express our opinion on whether 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 does not relieve you or management of your responsibilities.

**2** To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and *Government Auditing Standards* issued by the Comptroller General of the United States, and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

**3** To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

**4** To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



# Areas of Audit Emphasis

	Internal control environment
	Capital assets and assets held for sale and transfer
	Revenue recognition
	Debt activity
	Subsequent events



# Planned Scope & Timing of the Audit

It is the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence, and to communicate with those charged with governance an overview of the planned scope and timing of the audit.

## OUR COMMENTS

The planned scope and timing of the audit were communicated to the Authority's Audit Committee via a letter and was also included in the engagement letter for the year ended June 30, 2022.



# Significant Accounting Policies & Unusual Transactions

The auditor should determine that the Audit Committee is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the Audit Committee is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

## OUR COMMENTS

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the footnotes to the Authority's financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2022 other than the adoption of GASB 87 – *Leases* which was determined to not have a material impact to the financial statements.

We believe management has selected and applied all other significant accounting policies appropriately and consistent with those of the prior year.



# Management Judgments & Accounting Estimates

The Audit Committee should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basis for the auditor's conclusions regarding the reasonableness of those estimates.

## OUR COMMENTS

Management's judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the financial statements.

Significant management estimates impacting the financial statements include the following: useful lives of long-lived assets, impairment of long-lived assets, valuation of investments, allowances for accounts receivable, valuation of pension and other post-employment benefits (OPEB) liabilities, and deferred inflows and outflows of resources.

We deemed them to be reasonable.



# Management Judgments & Accounting Estimates

Our views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.

## OUR COMMENTS

The disclosures in the Authority's financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

We call your attention to the organization and summary of significant accounting policies, which can be found in Note 1 to the Authority's financial statements.



# Difficulties Encountered in Performing the Audit

The Audit Committee should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit.

**OUR COMMENTS**

No significant difficulties were encountered during our audit.





# Significant Audit Adjustments & Unadjusted Differences Considered by Management to Be Immaterial

The Audit Committee should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in the Authority's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future financial statements to be materially misstated.

The Audit Committee should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the Authority's financial statements as a whole.

## OUR COMMENTS

There were no material correcting adjustments arising from the audit. Certain reclassifications for the presentation of current vs. long-term balances were made by management during the drafting of the financial statements.

Management evaluated the impact of adopting GASB 87 – *Leases* and determined that the impact was not material to the financial statements. Had an entry been recorded it would have resulted in an asset and liability of approximately \$870,000.

In addition, there were investment valuation differences noted between Chandler and US Bank. These differences were due to timing of accrued interest and sources of market values available. Had these timing differences been recorded, investments would have decreased approximately \$586,000 and investment losses would have increased by \$586,000 at June 30, 2022



# Potential Effect on the Financial Statements of Significant Risks, Exposures, and Uncertainties

The Audit Committee should be adequately informed of the potential effect on the financial statements of significant risks, exposures, and uncertainties that are disclosed in the financial statements.

**OUR COMMENTS**  
The Authority is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.



# Disagreements with Management

Disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority's financial statements or the auditor's report.

**OUR COMMENTS**

We are pleased to report that there were no disagreements with management.



# Representations Requested of Management

We requested certain representations from management that are included in the management representation letter.

**OUR COMMENTS**

We have requested certain representations from management that are included in the management representation letter within Exhibit 1.



# Management's Consultation with Other Accountants

In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

## OUR COMMENTS

We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.



# Other Material Written Communications

Report to the Audit Committee significant written communications between the auditor and client management.

**OUR COMMENTS**

Other than the engagement letter, management representation letter, and communications to those charged with governance, there have been no other significant communications.



# Material Uncertainties Related to Events & Conditions

Any substantial doubt regarding the entity's ability to continue, as a going concern, should be communicated to the Audit Committee.

**OUR COMMENTS**

No such matters came to our attention.



# Fraud & Noncompliance with Laws & Regulations

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the Authority's financial statements should be communicated. We are also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

## OUR COMMENTS

We are not aware of any instances of fraud or noncompliance with laws and regulations.





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# Recent Accounting Developments





# New Standards

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## SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

[GASB 96]

- This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.
- A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
- The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets.
- Under this Statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.
- The amendments should be applied retrospectively and are effective for annual reporting periods beginning after June 15, 2022. Early adoption is permitted.





# New Standards

## COMPENSATED ABSENCES

[GASB 101]

- In an effort to enhance comparability between governments that offer different types of leave, the updated guidance introduces a recognition and measurement model that can be applied consistently to all types of compensated absences.
- Under the updated guidance, governments are required to record a liability for compensated absences in financial statements prepared using the economic resources measurement focus when the following criteria is met:
  - The absence accumulates
  - The absence is attributable to services rendered
  - The absence is more likely than not to be either paid or settled through other means
- Determining whether an absence is more likely than not to be either paid or settled requires governments to develop an estimate that considers:
  - The government's employment policies related to compensated absences, which may differ by employee class
  - Whether benefits for services rendered will be eligible for payment in the future
  - Historical information about payment or forfeiture of compensated absences

Governments are also allowed to disclose either:

- The gross increases and decreases
  - Only the net change in the compensated absences liability
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- The amendments should be applied retrospectively and are effective for annual reporting periods beginning after December 15, 2023. Early adoption is permitted.





# Recent Insights and Webinars

*in case you missed them*

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## [An Inflation Reduction Act Overview for Governments](#)

Tax-exempt organizations and state, local, and Tribal governments may now be allowed to receive a payment in lieu of certain tax credits, under the Inflation Reduction Act of 2022, which was signed into law by President Joe Biden on August 16, 2022.

## [ESG Reporting Considerations for Governments](#)

Environmental, social, and governance (ESG) disclosures are now standard for many organizations, as public awareness grows around an expanse of principles and priorities.

Review our webcast, [ESG Reporting Considerations for Governments](#), to better understand the opportunities and risks organizations must consider when it comes to ESG reporting.

## [Protect Your Local Government from Common Fraud Schemes Webcast](#)

Watch our webcast, [Protect Your Local Government from Common Fraud Schemes](#), to explore common fraud schemes experienced by local governments. Key topics we'll address include:

- Basic fraud concepts
- Common perpetrators of fraud
- Real-world examples of fraud schemes targeting local governments
- Strategies to prevent and detect fraud





# Exhibit 1 – Management Representation Letter



October 13, 2022

Moss Adams LLP  
2040 Main Street, Suite 900  
Irvine, CA 92614

We are providing this letter in connection with your audits of the financial statements of Alameda Corridor Transportation Authority (ACTA), which comprise the respective statements of net position as of June 30, 2022 and 2021 and the statements of revenue, expenses, and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$285,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 20, 2022, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

6. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. We believe that the effects of the uncorrected financial statement misstatements summarized in the schedule below are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Account	Description	Debit	Credit
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 2</b>			
To True-up year-end Investments balances to market value			
454	Market Value Adjustments	565,813.00	
150	Market Value Adjustment		565,813.00
<b>Total</b>		<b>565,813.00</b>	<b>565,813.00</b>
<b>Proposed Journal Entries JE # 4</b>			
To adjust lease transactions that would have resulted in a lease asset an liability at June 30, 2022 under GASB 87			
901	Interest Pymt-Regular Interest	1,851.00	
MA195	Lease Assets	1,076,310.00	
550	Other Profession Svcs-Expense		45,675.00
MA196	Accumulated Amortization		215,262.00
MA262	Lease Liability		817,224.00
<b>Total</b>		<b>1,078,161.00</b>	<b>1,078,161.00</b>
	<b>Total Proposed Journal Entries</b>	<b>1,643,974.00</b>	<b>1,643,974.00</b>

### Information Provided

12. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
  - b. Minutes of the meetings of stockholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared;

- c. Additional information that you have requested from us for the purpose of the audit.
  - d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 13. All transactions have been properly recorded in the accounting records and are reflected in the financial statements.
- 14. We have retained copies of all information we provided to you during the engagement and have been provided copies of all necessary financial and non-financial schedules, memos, data, and other information related to all services performed by you, such that in our opinion our records are complete, including our records supporting our financial statements and all related accounting policies and positions. Furthermore, you do not act as the sole host of any financial or non-financial information system for us, nor do you provide any electronic security or back-up services for our data or records.
- 15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 16. We have no knowledge of any fraud or suspected fraud that affects the entity and involves—
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others when the fraud could have a material effect on financial statements.
- 17. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.
- 18. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- 19. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 20. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware.
- 21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 22. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



23. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24. We have no plans or intentions that may materially affect the carrying value or classification of assets, deferred inflows and outflows of resources, liabilities, or net position.
25. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
26. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
27. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
29. There are no violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
30. ACTA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral
31. ACTA has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
32. All funds that meet the quantitative criteria in GASB Statement No. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
34. Deposits and Investments are properly classified as to risk and are properly disclosed.
35. Provisions for uncollectible receivables have been properly identified and recorded.

36. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
37. We have appropriately disclosed ACTA's policy regarding whether first to apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
38. Assets held for transfer represent right-of-way land and land improvements that were acquired by the Authority. The Authority is transferring all excess easements, parcels, or portions of parcels and/or easement rights, which are no longer required in order to operate the Corridor, to the appropriate entities. The Authority, under the terms of the joint powers agreement, is not permitted to own any land or land easement rights. The Ports own the land that the trench was built on and the Authority has the right to use and occupy the property under the terms of a Use Permit that was executed between the Ports and the Authority on October 12, 1998. Title to all land and easement rights necessary to operate the Corridor is in the process of being deeded to the Ports, as tenants in common. Due to the proximity of ACTA completing its remaining transfers within the next year or two, it was determined that all extraneous costs be written off as of June 30, 2016, leaving only the known costs associated with the remaining parcels and easement rights in the account. In 2022, ACTA transferred \$10M of these parcels. The balance of assets held for transfer for the years ended June 30, 2022, and 2021 was \$3,182,825 and \$13,347,625 respectively.
39. The Authority adopted the GASB issued Statement No. 87 *Leases* effective June 30, 2022. The adoption of this Statement did not have a significant impact on the financial statements.
40. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
41. With respect to the schedule of expenditures of federal awards:
  - a. We acknowledge our responsibility for presenting these schedules in accordance with accounting principles generally accepted in the United States of America, and we believe these schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of these schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations.

- b. If these schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

42. With respect to federal award programs:

- a. We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to the preparation of the schedule of expenditures of federal awards.
- b. We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
- c. If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- d. We have identified and disclosed to you all of our government programs and related activities subject to Uniform Guidance and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
- e. We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- f. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- g. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h. We have received no requests from a federal agency to audit one or more specific programs as a major program.


- i. We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material requirements of federal awards.
- j. We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report (none).
- k. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- l. Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance, *Cost Principles for State, Local and Tribal Governments*, and Uniform Guidance (2 CFR part 200, subpart E).
- m. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- o. We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- p. There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- q. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
- r. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- s. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency, or pass-through entity, as applicable.
- t. No pass-throughs were made to subrecipients in the current year.
- u. We have charged costs to federal awards in accordance with applicable cost principles.
- v. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB's Uniform Guidance and we have provided you with all information on the status of the follow-up

on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

- w. We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- x. As part of your audit, you assisted with drafting the auditee portion of the data collection form. We acknowledge our responsibility as it relates to this nonattest service, including that we assume all management responsibilities; oversee the service by designating an individual who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the service performed; and accept responsibility for the results of that service. We have reviewed, approved, and accepted responsibility for the data collection form.
- y. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

DocuSigned by:  
  
5BEEED309D4F432...  
Kevin Scott, Chief Financial Officer

DocuSigned by:  
  
9A80CE4451504EE...  
Michael Leue, Chief Executive Officer

DocuSigned by:  
  
F033AC514390408...  
Trang Nguyen, Principal Accountant

**Certificate Of Completion**

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Subject: Complete with DocuSign: Management Rep Letter - Moss Adam FS Audit	
Deltex Client Engagement Code (123456.XXXX): 635932	
Office Location:	
Orange County	
Document Type: AS - Mgmt Rep Letter	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 3	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Corinne Wood
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Status: Original	Holder: Corinne Wood	Location: DocuSign
10/13/2022 10:08:38 AM	Corinne.Wood@mossadams.com	
Security Appliance Status: Connected	Pool: Security Pool	

**Signer Events**

Kevin Scott  
 kscott@acta.org  
 Chief Financial Officer  
 Security Level: Email, Account Authentication (None)

**Signature**


DocuSigned by:  
  
 5BEEED309D4F432...  
 Signature Adoption: Uploaded Signature Image  
 Using IP Address: 47.181.122.201

**Timestamp**

Sent: 10/13/2022 10:11:44 AM  
 Viewed: 10/13/2022 10:57:44 AM  
 Signed: 10/13/2022 11:29:02 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 10/13/2022 10:57:44 AM  
 ID: cf730baf-9b16-4764-b2d5-4434e695f319

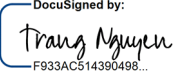
Michael Leue  
 mleue@acta.org  
 CEO  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 9A80CE4451504EE...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 95.152.244.182  
 Signed using mobile

Sent: 10/13/2022 10:11:45 AM  
 Viewed: 10/13/2022 11:03:09 AM  
 Signed: 10/13/2022 11:04:19 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 10/13/2022 11:03:09 AM  
 ID: 703ed1c6-9b07-4265-95bd-0fbcc5849ce0

Trang Nguyen  
 Tnguyen@acta.org  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 F933AC514390498...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 47.151.3.32

Sent: 10/13/2022 10:11:44 AM  
 Viewed: 10/13/2022 10:18:05 AM  
 Signed: 10/13/2022 10:18:38 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 10/13/2022 10:18:05 AM  
 ID: 2fc260b3-5d83-4fa3-8432-c4e0dfcd859e

**In Person Signer Events**

**Signature**

**Timestamp**

**Editor Delivery Events**

**Status**

**Timestamp**

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/13/2022 10:11:45 AM
Certified Delivered	Security Checked	10/13/2022 10:18:05 AM
Signing Complete	Security Checked	10/13/2022 10:18:38 AM
Completed	Security Checked	10/13/2022 11:29:02 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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By selecting the "I Accept" button, you are signing this document electronically. You agree your electronic signature is the legal equivalent of your handwritten signature on this document. By selecting "I Accept" using any device, means or action, you consent to the legally binding terms and conditions of this document. You further agree that your signature on this document (your "E-Signature") is as valid as if you signed the document in writing. You also agree that no certification authority or other third party verification is necessary to validate your E-Signature, and that the lack of such certification or third party verification will not in any way affect the enforceability of your E-Signature or any resulting agreement between you and Moss Adams LLP. You are also confirming that you are authorized to sign this document. Finally, you understand and agree that your E-Signature will be legally binding and such transaction will be considered authorized by you.



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