

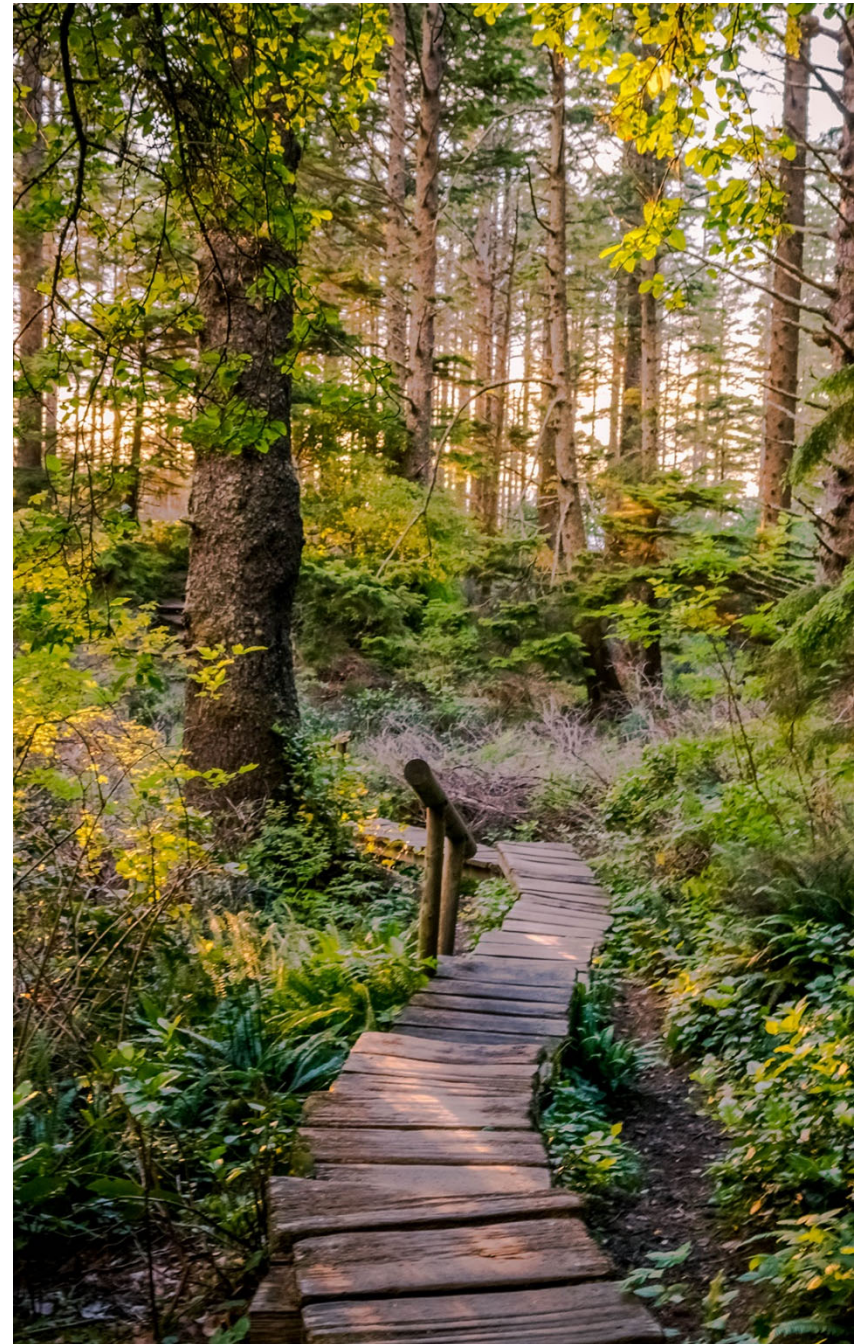
The Northwest Seaport Alliance

Report on 2022 Audit Results



Agenda

- **Auditor Reports Issued**
- **Areas of Audit Emphasis**
- **Matters Required to be Communicated to the Audit Committee**
- **Upcoming Accounting Pronouncements**
- **Other Communications**



Auditor Reports Issued

Auditor Report on Financial Statements for the Enterprise Fund

- Unmodified opinion
- Dated March 28, 2023

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

- No internal control or compliance findings
- Dated March 28, 2023

Report on Compliance for the Major Federal Program and on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Single Audit)

- No internal control or compliance findings
- The Schedule of Expenditures of Federal Awards (SEFA) is presented fairly in all material respects in relation to the financial statements
- One Major Program – Diesel Emissions Reduction Act of 2010 - \$782,482



Areas of Audit Emphasis

Internal control environment

- Capital assets/project management, cash receipts/receivables, cash disbursements/payables, payroll, and administration of grants

Management estimates

- Allowance for doubtful accounts, legal contingencies and insurance recoveries, compensated absences, actuarial valuations for pension

Capital assets

- Consideration of capitalization policies, testing of additions, retirements, overhead application, and depreciation; consideration of timely closing of capital improvement projects

Related Party Transactions

- Cash distributions to Managing Members and cash received from Managing Members



Areas of Audit Emphasis (continued)

Revenue recognition

- Operating revenue analysis using business indicators such as rental agreement changes, number of lifts, and crane/strad hours.
- Testing of leasing activities & contracts
- Consideration of the collectability of related receivables

One major federal program identified and tested current year

- Total federal awards reported on schedule of expenditures of federal awards - \$796,874
- Major program – Diesel Emissions Reduction Act of 2010 - \$782,482



Required Communications

Auditor and Management responsibilities for financial statements under Generally Accepted Auditing Standards

- To form and express an opinion about whether the financial statements are fairly presented; to plan and perform the audit in accordance with generally accepted auditing standards and Government Auditing Standards
- Our audit does not relieve NWSA management and the Managing Members of their responsibilities

Audit was performed according to the planned scope

Significant accounting policies are summarized in Note 1 to the financial statements

Financial statement disclosures were consistent, clear and understandable

Representations were requested and received from management

There were no disagreements with management or difficulties encountered during the audit



Required Communications (continued)

There were no uncorrected audit adjustments identified

Consultation with other independent auditors (none of which we are aware)

Illegal acts (none noted)

Ability to continue as a going concern (no disclosure necessary)

Consideration of fraud in a financial statement audit

- Procedures performed included journal entry testing, third-party confirmations, and interviews of personnel



Acknowledgements

- Regular status meetings were held between Moss Adams and NWSA team from both home ports throughout the audit term
- The audits progressed on time and in an orderly fashion, in a hybrid remote/on-site work environment
- All personnel supporting NWSA activities from both home ports were responsive and fulfilled all our requests in a timely manner
- ‘Tone at the Top’ and attitude from management was one of openness in response to audit requests and discussion points



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