



MOSSADAMS

Northwest Seaport Alliance

Discussion with the Audit Oversight Committee

2023 AUDIT PLANNING

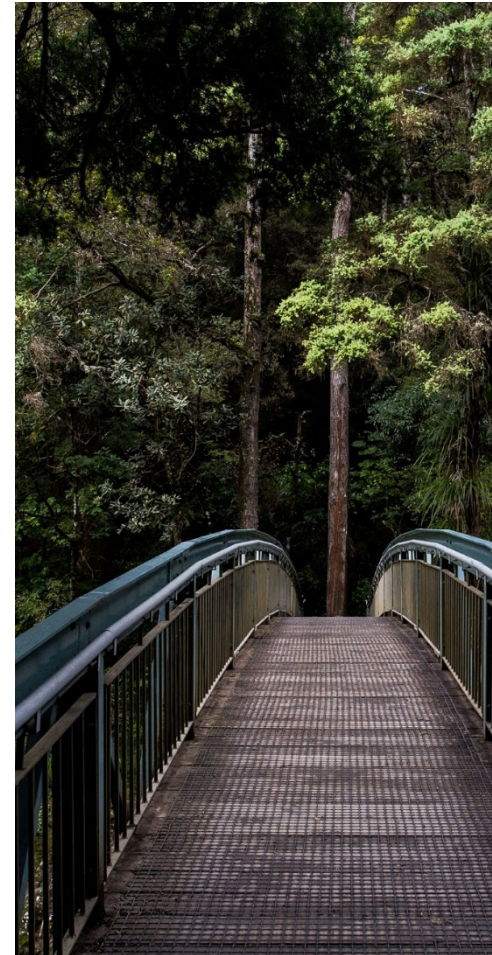
Presented by: Olga A. Darlington, Partner

October 6, 2023



Agenda

- Moss Adams Service Team
- Scope of Services
- Responsibilities (Auditor and Management)
- Audit Process
- Consideration of Fraud
- Risk Assessment
- Audit Timeline



Your Service Team Leadership



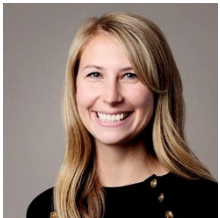
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Summary of Our Services and Deliverables

- Audit and report on financial statements for NWSA's Financial Statements;
- Report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards*;
- Audit and report on compliance related to Major Federal Award Program(s), the Schedule of Expenditures of Federal Awards and related internal controls in accordance with the *Uniform Grant Guidance*.



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 and internal control over compliance 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.

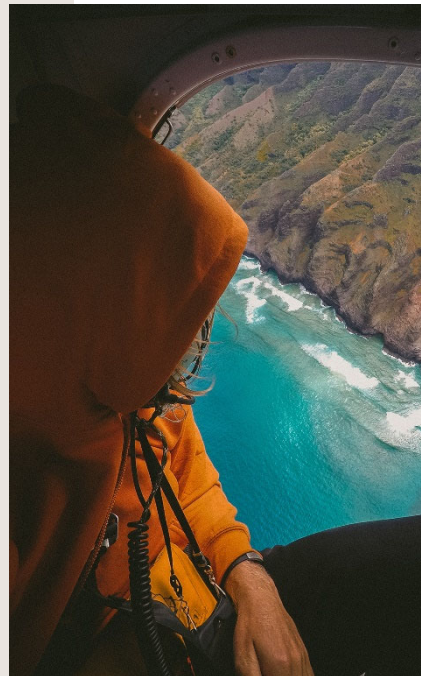
4

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



What's Materiality?

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) and **qualitative** factors (covenants, expectations, or industry factors)

It identifies:

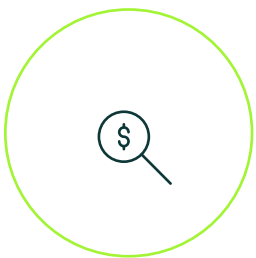
SIGNIFICANT RISK
AREAS

NATURE, TIMING,
EXTENT, AND SCOPE
OF TEST WORK

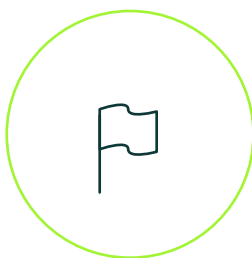
FINDINGS OR
MISSTATEMENTS



Significant Audit Areas



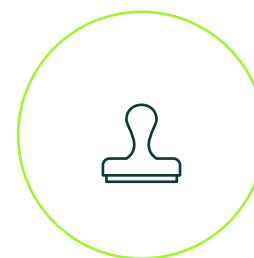
**INTERNAL CONTROL
OVER FINANCIAL
REPORTING AND
SIGNIFICANT
BUSINESS CYCLES –
REVENUES, CAPITAL
ASSETS,
EXPENDITURES**



**EXISTENCE AND
VALUATION OF
CAPITAL ASSETS
AND
CLASSIFICATION OF
CONSTRUCTION IN
PROGRESS
BALANCES**



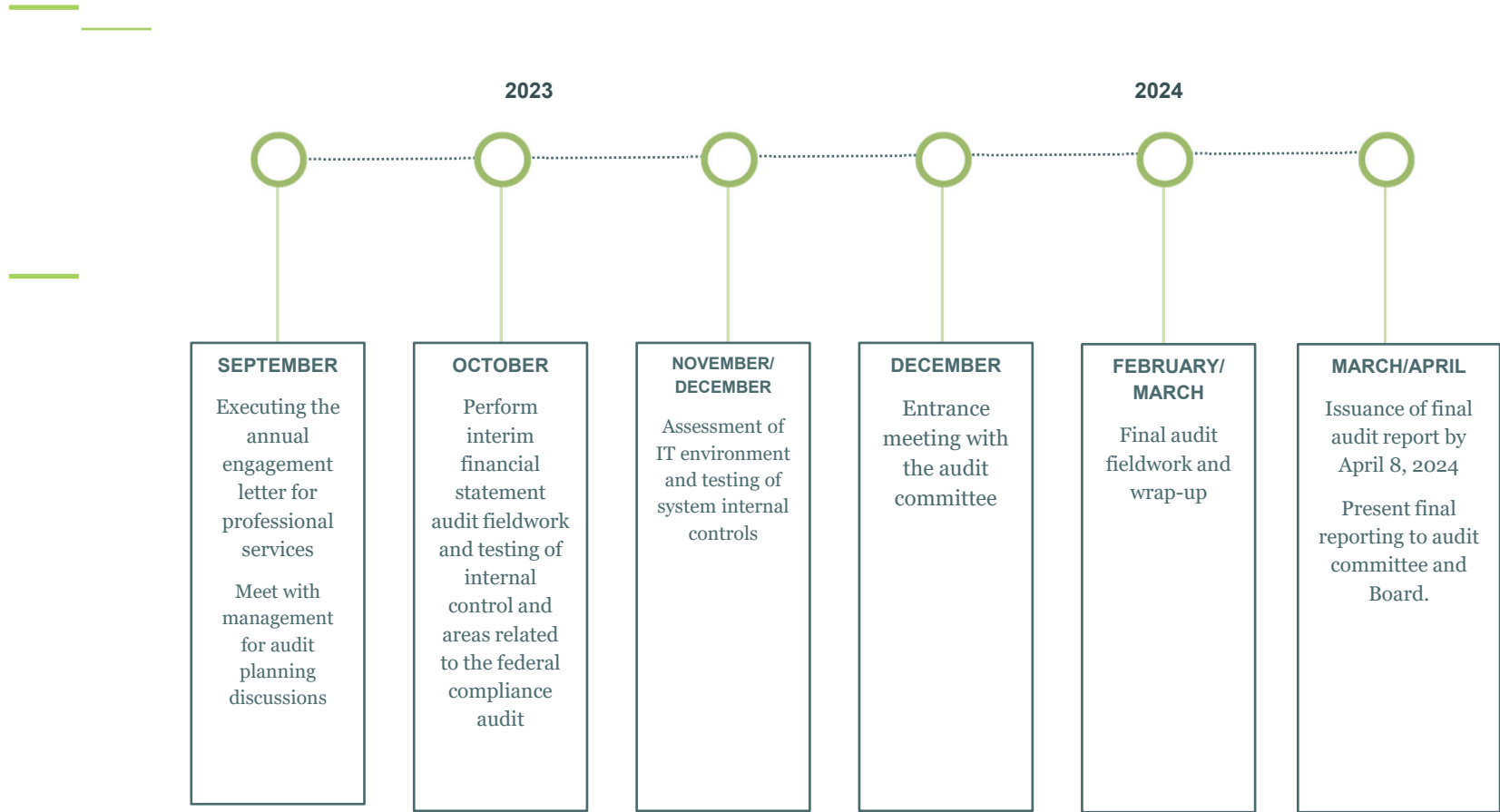
**REVENUE
RECOGNITION AND
VALUATION OF
LEASE
RECEIVABLES**



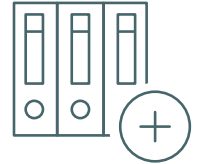
**COMPLIANCE
WITH FEDERAL
LAWS AND
REGULATIONS,
UNIFORM GRANT
GUIDANCE
(SINGLE AUDIT)**



Audit Timeline



New Standards



- ❖ GASB 91, *Conduit Debt Obligations* – effective for fiscal year 2023.
- ❖ GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – effective for fiscal year 2023.
- ❖ **GASB 96, *Subscription-Based Information Technology Arrangements* – effective for fiscal year 2023.**
- ❖ GASB 99, *Omnibus 2022* – varied effective dates from 2023 and 2024.
- ❖ GASB 100, *Accounting Changes and Error Corrections* – effective for fiscal year 2024.
- ❖ GASB 101, *Compensated Absences* – effective for fiscal year 2025.

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THANK
YOU

