



The Northwest Seaport Alliance

# Report on 2023 Audit Results

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April 30, 2024



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# Agenda

**01 AUDITOR REPORTS ISSUED**

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**02 AREAS OF AUDIT EMPHASIS**

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**03 MATTERS REQUIRED TO BE COMMUNICATED TO THE AUDIT COMMITTEE**

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**04 OTHER COMMUNICATIONS**



# Auditor Reports Issued

Auditor Report on  
Financial  
Statements for the  
Enterprise Fund

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

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

Unmodified opinion  
Dated March 29, 2024

No internal control or  
compliance findings

No internal control or  
compliance findings  
One Major Program: *Port  
Infrastructure Development  
Program (20.823)*

The Schedule of  
Expenditures of Federal  
Awards (SEFA) is presented  
fairly in all material respects  
in relation to the financial  
statements



# 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, leases, 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 projects

## **Related party transactions**

- Cash distributions to home ports and cash receipts from home ports



# Areas of Audit Emphasis (continued)

## Revenue recognition

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

## One major federal program identified and tested in current year

- Total federal awards reported on schedule of expenditures of federal awards - \$2,921,242
- Major program – Port Infrastructure Development Plan - \$2,183,481



# Required Communications and Government Auditing Standards



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*.

Financial statement disclosures were consistent, clear and understandable.



# Required Communications (continued)



Audit was performed according to the planned scope and timing



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 was one uncorrected adjustment which was identified by management:

## **Proposed Audit Adjustment #1:**

*To record management identified SDOT project invoices under accrued as of 12/31/23*

	<b><u>Debit</u></b>	<b><u>Credit</u></b>
NWSA Misc. Non-Operating Expenses	\$356,108	
NWSAAP Accruals		\$354,108





# Required Communications (continued)



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



# Contact Us



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