



Agenda Item No. (8)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of January 23, 2025

From: Cody P. Smith, Director of Accounting
Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **RECEIVE THE INDEPENDENT AUDITOR'S SINGLE AUDIT REPORT
FOR THE YEAR ENDING JUNE 30, 2024, AS SUBMITTED BY EIDE
BAILLY, LLP**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors receive the Independent Auditor's Single Audit Report for the year ending June 30, 2024, as submitted by Eide Bailly, LLP.

Summary

Representatives of Eide Bailly, LLP (EB) will be attending the January 23, 2025 Finance-Auditing Committee meeting to present the Schedule of Federal Awards in Accordance with the Uniform Guidance ("Single Audit Report"). The Single Audit Report was uncoupled from the Annual Comprehensive Financial Report (ACFR) in previous years due to the Golden Gate Bridge, Highway and Transportation District's (District) audit programs needing additional time to complete compliance testing.

The 2024 Single Audit Report continues the trend of decoupling its presentation from the ACFR. Staff anticipate it continuing this way as additional time is needed to complete compliance testing which cannot be handled during the external financial statement auditing period for the ACFR. The Auditor's opinion given is an unmodified opinion on the District's Single Audit Report.

The Single Audit Report and AU-C-260 Letter are attached and available on our website at: <https://www.goldengate.org/district/board-of-directors/meeting-documents/>.

Fiscal Impact

There is no fiscal impact associated with this informational report.

Attachments: A. Federal Awards Reports in Accordance with the Uniform Guidance June 30, 2024: Single Audit Report
B. AU-C-260 Letter, dated December 23, 2024

THIS PAGE INTENTIONALLY LEFT BLANK



Federal Awards Reports in Accordance
with the Uniform Guidance
June 30, 2024

Golden Gate Bridge, Highway and Transportation District

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards and the Transportation Development Act</i>	1
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8



Independent Auditor's Report 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 and the Transportation Development Act*

To the Board of Directors
Golden Gate Bridge, Highway and Transportation District
San Francisco, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the fiduciary activities of the Golden Gate Bridge, Highway & Transportation District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California
December 23, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Golden Gate Bridge, Highway and Transportation District
San Francisco, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Golden Gate Bridge, Highway & Transportation District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and fiduciary activities of the District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Menlo Park, California
December 23, 2024

Golden Gate Bridge, Highway & Transportation District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Financial Assistance Listing	Grant Identification Number	Federal Expenditures	Amount Passed-Through to Subrecipients
U.S. DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction				
Highway Planning and Construction:	20.205			
Passed through California Department of Transportation				
FHWA Seismic Retrofit Project: Phase IIIB Design/CMGC		BHLS-6003(029)	\$ 2,603,258	\$ -
FHWA Suicide Deterrent System Project		BHLS-6003(051)	6,732,309	-
FHWA Seismic Wind Retrofit Project		BHLS-6003(052)	43,837	-
Direct Grants				
FY08 Larkspur Terminal Improvements (Flex) UPA		CA-70-X005	20,242	-
FY2012 FBD - Sausalito Access Imps		CA-70-X016	231,121	231,121
Larkspur Ferry Fuel Sys Improvements		CA-70-X015	1,011,998	-
			<u>10,642,765</u>	<u>231,121</u>
Total Highway Planning and Construction Program				
Federal Transit Cluster				
Federal Transit Formula Grants:	20.507			
Direct Grants				
FY2007 Capital (Flex Funds)		CA-95-X024	412,154	-
FY2016 Capital		CA-2016-120	682,739	20,279
FY17 GGBHTD FTA Application		CA-2017-162	31,871	-
High-Speed Ferry Vessel Acquisition		CA-2020-209	808,591	-
FY20 Formula Funding Application		CA-2020-286	3,446,796	-
FY22 Ferry Vessel Rehab		CA-2021-232	707,879	-
GGT Ambassador Program - Operating Assistance		CA-2021-124	799	-
COVID-19 GGBHTD FY21 5307 ARP Operating Assistance Grant		CA-2022-062	51,186,025	-
Subtotal			<u>57,276,854</u>	<u>20,279</u>
State of Good Repair Grants Program:	20.525			
Direct Grants				
FY19 FTA Application		CA-2019-072	906	-
FY2017 Capital		CA-2017-162	958,439	958,439
FY2018 GGBHTD FTA Application		CA-2019-041	13,444	-
FY21 Formula Funding Application		CA-2021-151	502	-
5307 and 5337 Formula Funding Application		CA-2023-204	5,350,000	-
5307 and 5337 Formula Funding Application Phase 2		CA-2024-038	939,006	-
Subtotal			<u>7,262,297</u>	<u>958,439</u>
Total Federal Transit Cluster			<u>64,539,151</u>	<u>978,718</u>
Total U.S. Department of Transportation			<u>75,181,916</u>	<u>1,209,839</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Port Security Grant Program				
Direct Grants	97.056	EMW-2021-PU-00438	219,777	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Passed through California Office of Emergency Services	97.036	FEMA-4482-DR	40,494	-
Total U.S. Department of Homeland Security			<u>260,271</u>	<u>-</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 75,442,187</u>	<u>\$ 1,209,839</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of the Golden Gate Bridge, Highway & Transportation District (District) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the accrual basis of accounting, except for pass-through expenditures to subrecipients which are reported on the cash basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures reported in the schedule are reported on the full accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis.

Note 3 - Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate.

Golden Gate Bridge, Highway & Transportation District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

I. SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

No

Significant deficiency(ies) identified not considered to be material weaknesses?

None Reported

Noncompliance material to financial statements noted?

No

FEDERAL AWARDS

Internal control over major federal programs:

Material weakness(es) identified?

No

Significant deficiency(ies) identified not considered to be material weaknesses?

None Reported

Type of auditors’ report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a)

No

Identification of major federal programs:

Name of Federal Program or Cluster

Federal CFDA Numbers

Federal Transit Cluster (includes COVID 19 funding)

20.507, 20.525

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 2,263,266

Auditee qualified as low-risk auditee?

Yes

II. FINANCIAL STATEMENTS FINDINGS

None Reported

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported

SUMMARY OF PRIOR YEAR’S FINDINGS

None Reported



December 23, 2024

The Board of Directors of the
Golden Gate Bridge, Highway and Transportation District
San Francisco, California

We have audited the financial statements of the business-type activities and fiduciary activities of the Golden Gate Bridge, Highway & Transportation District (District) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 23, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated March 1, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the District complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards as it relates to the audit of District's major federal program compliance, is to express an opinion on the compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the District's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, 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.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report 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* dated December 23, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated December 23, 2024.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Revenue Recognition – Generally Accepted Auditing Standards require a presumed risk of improper revenue recognition, unless otherwise noted.
- Management Override of Controls – Management Override of Controls was determined to be an overall financial statement risk, which is standard financial statement level risk for audit engagements.
- Significant Estimates – professional standards require auditors to consider that risks related to the involvement of judgement with respect to significant estimates. Estimates performed by actuarial valuations for Pension amounts, Other Post-Employment Benefits (OPEB), and claims liability are subject to estimate risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are related to the Management's estimate of the insurance liability, the remediation liability, the net pension liability and related deferrals, net other postemployment benefit liability and related deferrals is based on actuarial valuations performed by actuarial specialists or management's estimates. We evaluated the key factors and assumptions used to develop the insurance liability, the remediation liability, the net pension liability and the net other postemployment benefit liability and determined that these estimates are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the discount rates used in estimating the net pension liability and net other postemployment benefit liabilities which are described note 12 to the financial statements and note 13 to the financial statements, respectively.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 23, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Additionally, in accordance with such standards, we have read the introductory and statistical sections of the District's annual report and considered whether such information, or the manner of its presentation was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the board of directors, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California