



# Report to the Audit Committee (or Board of Directors, Those Charged with Governance)

Audit Results for the year ended June 30, 2024

Presented February 2025

**access**

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# I. BPM Responsibilities Under Auditing Standards Generally Accepted in the United States

|   |   |
|---|---|
| 1 | To express our opinion on whether the financial statements prepared by management, with your oversight, are fairly presented in all material respects in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). However, our audit does not relieve you or management of your responsibilities, including the responsibility for the prevention and detection of fraud or errors, and the maintenance of internal controls.   |
| 2 | To perform an audit in accordance with auditing standards generally accepted in the United States ("U.S. GAAS") as issued by the American Institute of Certified Public Accountants ("AICPA"), <i>Government Auditing Standards</i> , and Uniform Guidance and design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.<br><br>Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit will detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.<br><br>Because of the inherent limitations of an audit, it is possible that material misstatements of the financial statements resulting from fraud and, to a lesser extent from errors, may not have been detected. |
| 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 judgement, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying control deficiencies.   |

## II. Audit Status

|                             |  |
|-----------------------------|--|
| <b>Financial Statements</b> | We have substantially completed our audit of the financial statements of Access Services (the "Organization") for the year ended June 30, 2024 and anticipate issuing an unmodified opinion on those statements.   |
| <b>Findings</b>             | We will discuss significant findings arising from our financial statement audit procedures and review with the Audit Committee those matters required to be communicated by U.S. GAAS and <i>Government Auditing Standards</i> .   |
| <b>Restrictions</b>         | There were no restrictions on the scope of our audit procedures.   |
| <b>Fraud or Violations</b>  | We did not become aware of any fraud, violations or possible violations of laws or regulations, or conflicts of interest during our work and we received the full cooperation of management and other employees. Because of the inherent limitations of an audit, it is possible that material misstatements of the financial statements resulting from fraud and, to a lesser extent from errors, may not have been detected. |
| <b>Adjustments</b>          | We will discuss adjustments made and the impact of the potential adjustments not made by management which were not considered material to the financial statements taken as a whole.   |

# III. Progress Report

| Phase 1<br>Engagement Start-Up  | Phase 2<br>Interim/Audit Planning   | Phase 3<br>Fieldwork  | Phase 4<br>Concluding  |
|---|---|---|--|
| <ul style="list-style-type: none"> <li>• Provide engagement letter</li> <li>• Kickoff meeting with management</li> <li>• Agree on timing of fieldwork and delivery of report</li> <li>• Discuss effect of new accounting pronouncements or tax regulations</li> </ul> | <ul style="list-style-type: none"> <li>• Interim visit/discussion to complete our understanding of internal controls and major grant and contract agreements to determine nature and extent of procedures</li> <li>• Provide list of requested schedules and documents</li> <li>• Perform audit planning</li> <li>• Present audit plan to Audit Committee/Board of Directors</li> <li>• Send audit confirmations</li> </ul> | <ul style="list-style-type: none"> <li>• Perform planned audit procedures</li> <li>• Audit manager field review</li> <li>• Audit partner review</li> <li>• Draft financial statements and proposed adjustments</li> <li>• Draft management letter, if applicable</li> <li>• Communication with legal counsel</li> </ul> | <ul style="list-style-type: none"> <li>• Exit conference with Audit Committee/Board of Directors</li> <li>• Obtain signed representation letter from management</li> <li>• Delivery of final report and management letter</li> <li>• Completion of data collection form</li> <li>• Discuss emerging accounting standards/issues</li> </ul> |

✓ Step Completed

## IV. Open Items

Items remaining before BPM can issue our report include the following:

- After issuance – completion of data collection form

# V. Significant Accounting and Reporting Matters

During our audit, we noted the following results from performing our audit procedures (note: items marked “(S)” were those identified in planning as significant risks (whether due to error or fraud):

| Area:   | What BPM Noted:  |
|---|--|
| Cash and Cash Equivalents   | Reviewed bank reconciliations and restrictions on various cash balances.   |
| Accounts Receivable, Deferred Support and Revenue Recognition (S) | Reviewed aging, sent confirmations, sample tested individual revenue transactions and reviewed funding agreements. Gained an understanding of any changes to PBC's revenue recognition policies.   |
| Investments   | Understood internal control over segregation of duties, confirmations, purchases and sales testing, fair value and leveling testing, and gains/losses reconciliation.  |
| Fixed Assets  | Review and perform testing for a sample of additions and disposals and review reasonableness in depreciable lives of fixed assets.   |
| Accounts Payable and Accrued Liabilities (S)                      | Performed search for unrecorded liabilities, reviewed returned legal confirmations, and updated the responses through issuance. Also obtained and reviewed management's estimate on potential out-of-pocket legal exposure and its accrual in accordance with accounting guidance on contingent loss. An adjustment was made to increase the accrual by \$3,000,000 to which management agreed to. |
| Leases  | Examined the key parameters used to record the lease transactions for a sample of leases.  |

## V. Significant Accounting and Reporting Matters, continued

During our audit, we noted the following results from performing our audit procedures (note: items marked “(S)” were those identified in planning as significant risks (whether due to error or fraud):

| Area:                                      | What BPM Noted:  |
|--|--|
| Functional Expenses                        | Tested for proper expense coding, reviewed expense allocation methodology, and reviewed for unusual transactions.  |
| Compliance Testing                         | Reviewed grant documents and reviewed significant compliance sections – allowable costs/activity, cash management, procurement, equipment management, and period of performance. |
| Net Assets                                 | Reviewed the changes in the net asset schedule and tested the release of restrictions. Compared classification of restrictions to work performed around contributions.           |
| Journal Entries                            | Reviewed supporting documentation for reasonableness and proper authorization of nonrecurring journal entries.   |
| Financial Statements and Subsequent Events | Reviewed and evaluated the adequacy of the disclosures.  |

# VI. Required Communications

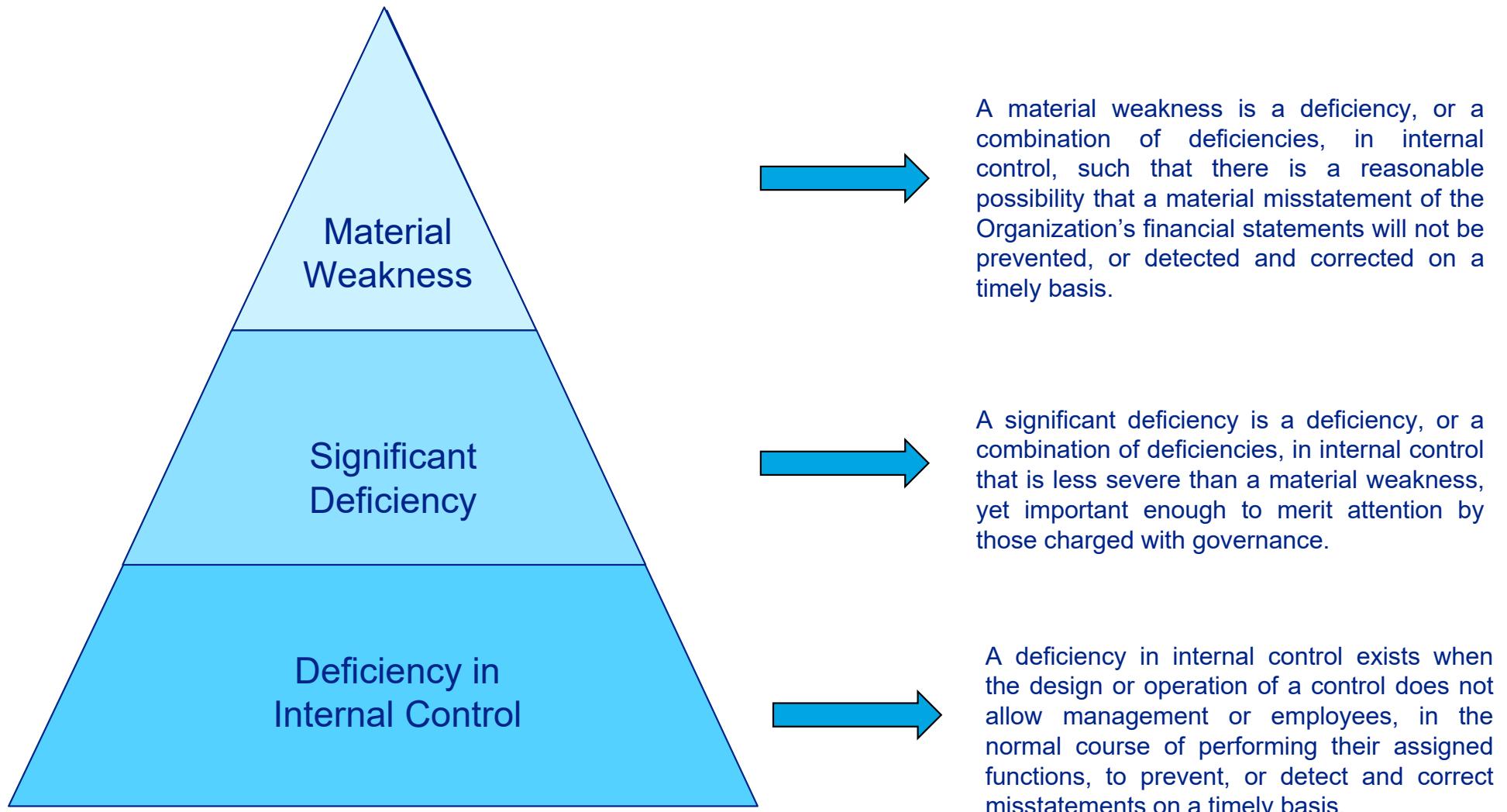
|  |  |
|--|--|
| <b>Significant Accounting Estimates and Judgment</b> | <ul style="list-style-type: none"><li>-Fair value measurements</li><li>-Self-insurance accruals</li><li>-Unfunded defined benefit plan liability</li><li>-Legal accruals for ongoing litigation</li><li>-Revenue recognition</li><li>-Depreciation methods and lives</li><li>-Functional expenses allocation</li></ul>   |
| <b>Significant Financial Statement Disclosures</b>   | <ul style="list-style-type: none"><li>-Footnote 7 – Property and Equipment</li><li>-Footnote 8 – Investment at Fair Value</li><li>-Footnote 11 – Deferred Support</li><li>-Footnote 12 – Retirement Plan</li><li>-Footnote 13 – Commitments and Contingencies</li><li>-Footnote 5 – Grants Receivable</li><li>-Footnote 9 - Leases</li></ul>   |
| <b>Journal Entries</b>                               | <ul style="list-style-type: none"><li>-Reviewed nonstandard journal entries</li></ul>  |
| <b>Significant Accounting Policies</b>               | <ul style="list-style-type: none"><li>-Adoption of new Accounting Standards Update 2016-13, <i>Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</i>.</li><li>-The qualitative aspects of the Organization's financial reporting, significant accounting policies and practices, and critical estimates are neutral, consistent, complete, and clear.</li></ul> |

# VI. Required Communications, continued

|                            |  |
|----------------------------|--|
| <b>Third-Party Related</b> | <ul style="list-style-type: none"><li>-No third-party specialists were used during the course of the audit.</li><li>-No other audit firms were involved with the audit.</li><li>-No consultations with other accountants to our knowledge that would require communication to the Audit Committee.</li></ul>   |
| <b>Audit Related</b>       | <ul style="list-style-type: none"><li>-No alternative accounting treatment discussions.</li><li>-No material errors or irregularities came to our attention that would require communication to the Audit Committee.</li><li>-No management advisory services performed for the Organization.</li><li>-No consultations outside the engagement team.</li><li>-No fraud, illegal acts, or violations or possible violations of laws or regulations noted.</li></ul> |
| <b>Management Related</b>  | <ul style="list-style-type: none"><li>-No disagreements with management.</li><li>-No issues discussed with management prior to our retention.</li><li>-Certain representations were obtained from management during the audit.</li><li>-No difficulties were encountered while performing the audit.</li></ul>   |

## VI. Required Communications, continued

Internal Control Deficiencies fall into three categories:



## VII. Independence

We have been engaged to audit the financial statements of the Organization for the year ended June 30, 2024. Professional standards require that we communicate with those charged with governance circumstances or relationships that may reasonably be thought to bear on independence, and to which we have given significant consideration in reaching the conclusion that independence has not been impaired.

We are not aware of any relationships between our Firm and the Organization that may reasonably be thought to bear on our independence which have occurred since May 16, 2024 through the date of this report.

We hereby confirm that as of the date of this report, we are independent accountants with respect to the Organization, within the requirements of the American Institute of Certified Public Accountants ("AICPA") and the AICPA Code of Professional Conduct.

This report is intended solely for the use of the Audit Committee, management, and others within the Organization and should not be used for any other purposes.

## VIII. Recent Accounting Standards

| Status    | Effective Date                          | Topic   |
|-----------|---|---|
| Effective | Years beginning after December 15, 2022 | <b>ASU 2016-13 – <i>Financial Instruments – Credit Losses</i></b> – Requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts, enhanced disclosures related to the significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization's portfolio. |

# IX. Exhibits

|                  |  |
|------------------|--|
| <b>Exhibit A</b> | Audited Financial Statements as of and for the fiscal year ended June 30, 2024 |
| <b>Exhibit B</b> | Management's Representation Letter   |