



March 28, 2022

Garza/Gonzalez & Associates
Certified Public Accountants
207 Arden Grove
San Antonio, Texas 78215

This representation letter is provided in connection with your audit of the financial statements of the Alamo Area Metropolitan Planning Organization (AAMPO), which comprise the respective financial position of the governmental activities, and the general fund as of September 30, 2021, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 28, 2022, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit contract, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the AAMPO required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) There are no—
 - a) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties, other than those related to Bexar County, our fiscal agent.

- b) Events, including instances of noncompliance, that have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.
- c) Guarantees, whether written or oral, under which the AAMPO is contingently liable.
- d) Violations or possible violations pertaining to adopting, approving, and amending the UPWP and the AAMPO's budget whose effects should be considered when preparing for financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- e) Instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- f) Known actual or possible litigation, claims, and assessments whose effects are required to be accounted for and disclosed in accordance with U.S. GAAP.
- g) Component units or joint ventures required to be reported in the AAMPO's financial statements.

Information Provided

- 7) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters; such as, all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the AAMPO from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Transportation Policy Board through January 24, 2022 or agendas of recent meetings for which minutes have not yet been prepared.
 - 8) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
 - 9) We have not identified any areas where risks may result in the financial statements being materially misstated as a result of fraud.
 - 10) We have no knowledge of any fraud or suspected fraud that affects the AAMPO and involves—
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
 - 11) We have no knowledge of any allegations of fraud or suspected fraud affecting the AAMPO's financial statements communicated by employees, former employees, regulators, or others.
 - 12) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing the financial statements.
- ### **Government-specific**
- 13) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 - 14) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

- 15) The AAMPO has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 16) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us. And, we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives. We have also disclosed to you that there are no legal or contractual provisions for reporting specific activities in separate funds, other than the general fund.
- 17) There are no—
 - a) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by U.S. GAAP.
 - b) Leasing transactions that are required to be accounted for as capital leases by U.S. GAAP.
 - c) Potential liabilities related to environmental remediation that could have a material effect on the financial statements.
 - d) Investigations or legal proceedings that have been initiated with respect to the period under audit.
- 18) We understand that as part of your audit, you utilized our schedules prepared by AAMPO to prepare the adjusting journal entries necessary to convert our cash basis records to the accrual basis of accounting and acknowledge that we have reviewed and approved those entries.
- 19) As part of your audit, you assisted with preparation of the financial statements and disclosures and schedule of expenditures of federal awards; to include, conversion entries for GASB 34 purposes to convert the governmental fund financial statements to the government wide financial statements. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements; to include, the GASB 34 conversion entries, disclosures and schedule of expenditures of federal awards.
- 20) The AAMPO has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, including the assets of its subrecipients; nor, has any asset been pledged as collateral.
- 21) The AAMPO has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 22) The financial statements properly classify all funds and activities.
- 23) The AAMPO has only a general fund, which is presented as major in accordance with GASB Statement No. 34.
- 24) Components of net position (net investment in capital assets and unrestricted) are properly classified.
- 25) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 26) All revenues are appropriately classified as program revenues in the statement of activities.
- 27) Capital assets, including intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 28) We acknowledge our responsibility for the required supplementary information (RSI), as included in the AAMPO's Annual Financial and Compliance Report. The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- 29) We acknowledge our responsibility for presenting the schedule of revenues and expenditures by grant and other sources, the schedule of line item expenditures by agency and subrecipients, and the schedule of expenditures of federal awards (collectively, supplementary information), as included in the AAMPO's Annual Financial and Compliance Report, in accordance with accounting principles generally accepted in the United States of America, and we believe that such supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 30) We believe the assumptions and methods used to measure the compensated absences liability and costs for financial accounting purposes are appropriate. In accordance with correspondence received from TxDOT, request for reimbursement from the grantor will be made when the expenditure is incurred; therefore, we believe it is correct for this amount to be included as a component of the deficit unrestricted net asset balance.
- 31) Since the AAMPO participates in the Bexar County (AAMPO's fiscal agent) defined benefit postemployment healthcare plan (the Plan), and there is an informal understanding that Bexar County will fund these benefits for the AAMPO retirees, the AAMPO is not required to implement Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. As such, Bexar County's net OPEB liability, as reflected in its financial statements at September 30, 2021, includes the member employees of the AAMPO.
- 32) With respect to federal award programs:
- a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards (SEFA).
 - b) We acknowledge our responsibility for presenting the SEFA and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
 - c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance, as applicable to AAMPO.
 - e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
 - f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

- g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
- i) We have complied with the direct and material compliance requirements, including when applicable, those set forth in the *OMB Compliance Supplement* (including its Addendum), relating to federal awards and confirm that there are no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.
- j) We have not received any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- k) Amounts claimed or used for matching, if applicable, were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.
- l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- m) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- n) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- o) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, subsequent to the period covered by the auditor's report.
- p) Federal program financial reports and claims for advances and reimbursements as applicable are supported by the books and records from which the financial statements have been prepared.
- q) The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- r) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
- s) We have not received any auditor's reports that have identified noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Should we receive such reports, we have a process in place to ensure appropriate and timely action, including issuing management decisions, is taken to ensure that subrecipients take the appropriate and timely corrective action on findings.
- t) We have considered the results of subrecipient audits and determined that adjustments were not necessary or required to our books and records.
- u) We have charged costs to federal awards in accordance with applicable cost principles.
- v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
- w) We are responsible for accurately certifying, as the auditee, the Data Collection Form, as required by the Uniform Guidance.
- x) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

No events have occurred subsequent to September 30, 2021 and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: Dsido A. Martinez

Title: Director

Signed: Jely Esquivilla

Title: Office Manager/HR Generalist