

# Association of Bay Area Governments

## Finance Committee

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November 16, 2023

Agenda Item 6.a.

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### ABAG Financial Statements and Accompanying Reports

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#### Subject:

Report on the Association of Bay Area Governments (ABAG) Financial Statements and Accompanying Reports for Fiscal Year 2022-2023

#### Background:

Staff requests that the ABAG Finance Committee recommend that the ABAG Executive Board accept the attached audited Financial Statements and Accompanying Reports for the Fiscal Year ended June 30, 2023 and accept the staff recommendation to reappoint Crowe LLP for the FY 2024 audit. The Financial Statements are audited by Crowe LLP.

Crowe LLP will make a presentation relating to the audit results, required communications and the Report on Federal Awards. Staff will make a presentation on the ABAG Financial Statements.

There are several documents that make up the year-end Financial Statements and Accompanying Reports. These reports are presented by Crowe LLP.

#### FY 2022-23 ABAG Audit Results and Required Communications

The audit opinion is “unmodified” with no “material” or “significant deficiency” in internal controls.

#### Reports on Federal Awards in Accordance with Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2023

Crowe LLP prepares this report on expenses and financial controls as they relate to federal grants. No federal findings were noted or instances of non-compliance or material weakness.

#### FY 2022-23 ABAG Financial Statements

The ABAG financial statements for FY 2022-23 are comprised of five sections:

- Independent Auditors Report (p. 1)—This is the opinion expressed on internal controls and the financial statements.
- Management’s Discussion and Analysis (MD&A) (p. 4)—The MD&A provides a management overview of the information contained in the financial statements as of June 30, 2023.

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- Basic Financial Statements (p. 8)—Including:
  - Statement of Net Position or assets over liabilities
  - Statement of Revenue, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to the Financial Statements (p. 12)—Including descriptions of the ABAG as a reporting entity and certain information considered important to understanding the reporting entity and accounting practices related to ABAG
- Required Supplementary Information (p. 33)—Mainly pension and OPEB liabilities
- Other Supplementary Information (p. 38)—Additional accounting information and details of the ABAG Conduit Financing Pool

If you have any questions about this report, please contact Derek Hansel at (415) 778-6730.

#### Issues:

None

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#### Recommended Action:

The ABAG Finance Committee is requested to accept the staff report and recommend ABAG Executive Board acceptance of the Financial Statements and Accompanying Reports for Fiscal Year 2022-23 and the reappointment of the firm Crowe LLP for the Fiscal Year 2023-24 annual external audit.

#### Attachments:

- A. Presentation FY 2022-23 ABAG Audit Results and Required Communication
- B. Presentation ABAG Financial Reports
- C. FY 2022-23 ABAG Financial Statements
- D. Reports on Federal Awards in Accordance with Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2023

#### Reviewed:



Alix Bockelman