

# ABAG Finance Authority for Nonprofit Corporations

## Executive Committee

November 7, 2019

Agenda Item 8

### Financial Audit

**Subject:** Approval of ABAG FAN Financial Audit for Fiscal Year 2018-19

**Background:** Staff requests that the Executive Committee for the ABAG Finance Authority for Nonprofit Corporations (FAN) accept the attached Financial Statements for the fiscal year ending June 30, 2019. The Financial statements are audited by Price Waterhouse Cooper (PWC) whose opinion letter is included.

The presentation of the annual financial report consists of three distinct components. These components are:

- Report to the Executive Committee – Prepared by our external auditors, Price Water Coopers (PWC). This is direct communication between the independent auditors and the Executive Committee. There are no issues of internal control weakness or questioned costs in the report.
- Report of the Independent Auditors (p. 1) This is the opinion expressed by the auditors on the accuracy of the financial statements. The opinion is “unmodified” meaning there are no material questions of internal controls or the financial statements.
- Financial Statements for the fiscal year ending June 30, 2019


Other than year-end net position (p. 5), the notes and supplementary information provide comprehensive detail of the existing debt portfolio. Note 4 (p.16) breaks down the nearly \$1.8 billion portfolio by debt type. The Community Facility Districts are listed on (p. 18) and broken down by category on pages 20-22.

Overall, FAN ended the year in excellent financial and operational shape. While there was a small deficit in FY 2019, it was substantially smaller than FY 2018 and still accommodated Executive Committee support for ABAG operations.

**Issues:** None.

**Recommended Actions:** The ABAG FAN Executive Committee is requested to accept and approve the ABAG FAN Financial Audit for Fiscal Year 2018-19.

**Attachments:** A. Report to the Executive Committee FY 2019 Audit Results  
B. ABAG FAN Financial Statements for the Year Ended June 30, 2019

**Reviewed:**   
Therese W. McMillan