




1




Dear Members of the ABAG Publicly Owned Energy Resources (POWER) Board of Directors,

We are pleased to present our report on the audit of ABAG POWER. Our report includes a summary of the audit results and also required auditor communications under professional standards.

Our audit is substantially completed. The remaining open items typical of this stage are the receipt of the management representation letter and standard subsequent event procedures through the date of audit report issuance.

We welcome any questions you or others may have on our audit. Thank you for the opportunity to discuss the audit results.

Sincerely,  
  
Katherine V. Lai  
Engagement Partner

© 2021 Crowe LLP2

2

## Client Service Team



© 2021 Crowe LLP

3

3

## Agenda



© 2021 Crowe LLP

4

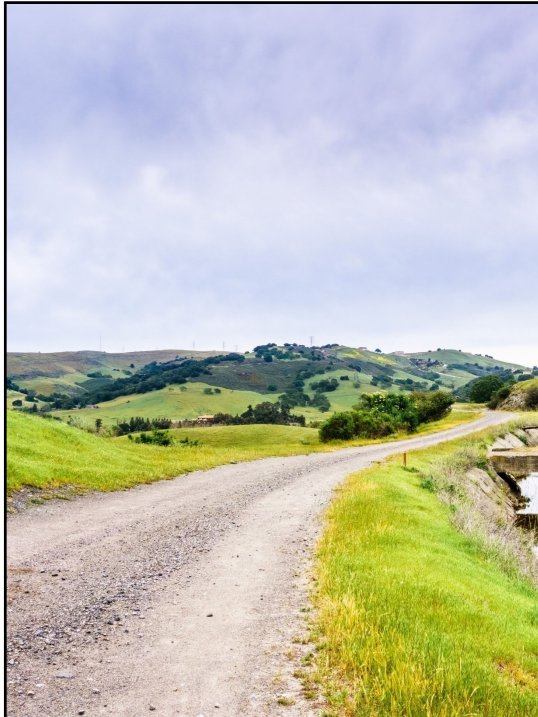
4

# Audit Objectives

© 2021 Crowe LLP

5

5



## Engagement Objectives

- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with accounting principles generally accepted in the United States.
- The audit of financial statements will be performed in accordance with auditing standards generally accepted in the United States (GAAS).
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.
- Our audit includes consideration of internal controls over financial reporting, but we do not express an opinion on the effectiveness of such internal controls. Management is responsible for the design and the effectiveness of internal controls.

6

# Audit Results

© 2021 Crowe LLP

7

7

## Financial Statement Audit Report



- Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2021.

Entity	Opinion
ABAG POWER	Unmodified

- We did not identify any deficiencies, significant deficiencies, or material weaknesses during our audit.

© 2021 Crowe LLP

8

8

# Required Communications

© 2021 Crowe LLP

9

9

## Required Communications

- Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Management has disclosed the summary of significant accounting policies in footnote 1 of each report.
- Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments.

© 2021 Crowe LLP



10



## Required Communications

- Adoption of New Accounting Standards:
  - GASB Statement No. 84, *Fiduciary Activities*
  - GASB Statement No. 90, *Majority Equity Interests*
  - GASB Statement No. 93, *Replacement of Interbank Offered Rates*
  - *Implementation Guide 2019-1 & 2019-2*

© 2021 Crowe LLP



11

## Required Communications

- Corrected Misstatements: We did not note any material corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- Uncorrected Misstatements: We did not note any uncorrected misstatements that were brought to the attention of management as a result of our audit procedures.

© 2021 Crowe LLP



12

## Required Communications

We did not note:

- Significant Accounting Policies in Controversial or Emerging Areas
- Significant Unusual Transactions
- Significant Difficulties Encountered during the Audit
- Disagreements with Management
- Consultations with Other Accountants
- Significant Related Party Findings and Issues
- Independence matters

© 2021 Crowe LLP



13

# Questions?

© 2021 Crowe LLP

14

14



## Thank You

**Katherine V. Lai, CPA, CGMA**

Partner

Kathy.Lai@crowe.com

<https://www.linkedin.com/in/kathylaicpa/>

"Crowe" is the brand name under which the member firms of Crowe Global operate and provide professional services, and those firms together form the Crowe Global network of independent audit, tax, and consulting firms. Crowe may be used to refer to individual firms, to several such firms, or to all firms within the Crowe Global network. The Crowe Global Risk Consulting entities, Crowe Healthcare Risk Consulting LLC, and our affiliate in Grand Cayman are subsidiaries of Crowe LLP. Crowe LLP is an Indiana limited liability partnership and the U.S. member firm of Crowe Global. Services to clients are provided by the individual member firms of Crowe Global, but Crowe Global itself is a Swiss entity that does not provide services to clients. Each member firm is a separate legal entity responsible only for its own acts and omissions and not those of any other Crowe Global network firm or other party. Visit [www.crowe.com/disclosure](http://www.crowe.com/disclosure) for more information about Crowe LLP, its subsidiaries, and Crowe Global. The information in this document is not – and is not intended to be – audit, tax, accounting, advisory, risk, performance, consulting, business, financial, investment, legal, or other professional advice. Some firm services may not be available to all clients. The information is general in nature, based on existing authorities, and is subject to change. The information is not a substitute for professional advice or services, and you should consult a qualified professional adviser before taking any action based on the information. Crowe is not responsible for any loss incurred by any person who relies on the information discussed in this document. Visit [www.crowe.com/disclosure](http://www.crowe.com/disclosure) for more information about Crowe LLP, its subsidiaries, and Crowe Global. © 2021 Crowe LLP.