

Association of Bay Area Governments

Finance Committee

November 18, 2021

Agenda Item 8.a.

Financial Statements and Accompanying Reports

Subject:

Report on the Association of Bay Area Governments (ABAG) Financial Statements and Accompanying Reports for Fiscal Year 2020-2021

Background:

Staff requests that the ABAG Finance Committee recommend that the ABAG Executive Board accept and approve the attached Financial Statements and Accompanying Reports for the Fiscal Year ended June 30, 2021 and accept the staff recommendation to reappoint Crowe LLP for the FY 2022 audit. The Financial Statements are audited by Crowe LLP.

The exit interview represents an opportunity for the Finance Committee to have direct communication with Crowe LLP, your independent auditor. As part of the exit interview, 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 2020-21 ABAG Audit Results and Required Communications

The audit opinion is “unmodified” with no “material” or “significant deficiency” in internal controls. There was one finding related to financial reporting which will be corrected.

Reports on Federal Awards in Accordance with Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2021

Crowe LLP prepares this report on expenses and financial controls as they relate to federal grants.

FY 2020-21 ABAG Financial Statements

The ABAG financial statements for FY 2020-21 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. 3)—The MD&A provides a management overview of the information contained in the financial statements as of June 30, 2021.

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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. 35)—Mainly pension and OPEB liabilities
- Other Supplementary Information—Additional accounting information and details of the ABAG Conduit Financing Pool

If you have any questions about this report, please contact Brian Mayhew 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 approval of the Financial Statements and Accompanying Reports for Fiscal Year 2020-21 and the reappointment of the firm Crowe LLP for the Fiscal Year 2021-22 annual external audit.

Attachments:

- A. FY 2020-21 ABAG Audit Results and Required Communication
- B. FY 2020-21 ABAG Management Letter with Corrective Action Response
- C. Reports on Federal Awards in Accordance with Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2021
- D. Presentation
- E. FY 2020-21 ABAG Financial Statements

Reviewed:



Therese W. McMillan