

## Association of Bay Area Governments

### Finance Committee

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November 14, 2024

Agenda Item 6.a.

#### ABAG Audited Financial Statements and Accompanying Reports

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#### Subject:

Report on the Association of Bay Area Governments (ABAG) Audited Financial Statements and Accompanying Reports for Fiscal Year Ended June 30, 2024

#### 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, 2024 and accept the staff recommendation to reappoint Crowe LLP for the FY 2025 audit. Crowe LLP was awarded the audit contract for MTC and ABAG after an extensive bid process. The audit contract includes audit services for the fiscal years 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, with two potential one-year extensions covering audit services for fiscal years 2024-2025 and 2025-2026. Staff believes Crowe LLP has done an excellent job and recommends their extension for fiscal year 2024-2025.

There are several documents that make up the year-end Financial Statements and Accompanying Reports.

Crowe LLP will make a presentation relating to the audit results, required communications and the Report on Federal Awards:

##### FY 2023-24 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, 2024

Crowe LLP compiles 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.

MTC staff will present a summary of ABAG FY 2023-24 audited financial statements:

##### FY 2023-24 ABAG Financial Statements

The ABAG financial statements for FY 2023-24 are comprised of five sections:

- Independent Auditors Report (p. 1)—This is the opinion expressed on internal controls and the financial statements.

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- 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, 2024.
- Basic Financial Statements (p. 8)—Including:
  - Statement of Net Position
  - Statement of Revenues, Expenses and Changes in Net Position
  - Statement of Cash Flows
  - Notes to 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. 34)—Mainly pension and OPEB liabilities
- Other Supplementary Information (p. 39)—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 2023-24 and the reappointment of the firm Crowe LLP for the Fiscal Year 2024-25 annual external audit.

#### Attachments:

- A. Presentation FY 2023-24 ABAG Audit Results and Required Communication
- B. Presentation FY 2023-24 ABAG Financial Reports
- C. FY 2023-24 ABAG Financial Statements (Audited)
- D. Reports on Federal Awards in Accordance with Office of Management and Budget (OMB) Uniform Guidance for the Year Ended June 30, 2024

#### Reviewed:



Andrew Fremier