

BayRICS Authority
STAFF REPORT

DATE: Thursday, February 13, 2020
TO: BayRICS Board of Directors
FROM: Corey Reynolds, General Manager
SUBJECT: Item 9a – 2019 Audit Summary

I. Background

Section 3.03 of the BayRICS Joint Powers Agreement requires that the Auditor of the Authority (Alameda County Auditor-Controller) “make or cause an independent annual audit of the accounts and records of the Authority by a certified public accountant or public accountant, in compliance with generally accepted auditing standards.”

Alameda County Auditor-Controller contracts with Patel & Associates to conduct these annual audits, which include the expression of opinions as to whether BayRICS’ financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and includes tests of the accounting records of the Authority and other internal control and risk management procedures considered necessary.

BayRICS FY2019 audit took place between September and December 2019, and the final audit report was released December 20, 2019. The full audit report is attached, and a summary is presented below.

II. Financial Highlights

- The Authority’s total assets exceeded its total liabilities by \$283,202 (net position) as of June 30, 2019 and total net position increased by \$28,544 compared to fiscal year 2018. Net position is unrestricted, and may be used to meet the Authority's ongoing obligations.
- The Authority received membership fees of \$84,000 in fiscal year 2019.
- The Authority received operating grant revenues of \$79,900 in fiscal year 2019 compared to \$38,100 in fiscal year 2018. The increase in grant revenues was a result of the timing of the reimbursement requests. The grant revenues earned in the current fiscal year were used to offset administrative expenses.
- See Table 1 below.

III. Risk Management

- The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.
- The Authority participates in the Alliant Insurance Services, Inc. government crime policy. The policy provides for coverage for faithful performance/employee dishonesty, money

and securities, forgery or alteration, computer fraud, robbery and safe burglary, and money order and counterfeit paper currency.

- The Authority has had no settled claims resulting from these risks that exceeded the Authority's insurance coverage in any of the past three years.

IV. Internal Control Over Financial Reporting

- Auditors did not identify any deficiencies in internal control considered to be material weaknesses.

Table 1: Condensed Statement of Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Change</u>	
Assets:				
Current assets	\$ <u>319,911</u>	\$ <u>297,200</u>	\$ <u>22,711</u>	<u>7.6 %</u>
Total Assets	<u>319,911</u>	<u>297,200</u>	<u>22,711</u>	<u>7.6 %</u>
Liabilities:				
Current liabilities	<u>36,709</u>	<u>42,542</u>	<u>(5,833)</u>	<u>(13.7)%</u>
Total Liabilities	<u>36,709</u>	<u>42,542</u>	<u>(5,833)</u>	<u>(13.7)%</u>
Net Position:				
Unrestricted	<u>283,202</u>	<u>254,658</u>	<u>28,544</u>	<u>11.2 %</u>
Total Net Position	<u>\$ <u>283,202</u></u>	<u>\$ <u>254,658</u></u>	<u>\$ <u>28,544</u></u>	<u><u>11.2 %</u></u>