

RICHARDSON BAY REGIONAL AGENCY

STAFF REPORT

For the meeting of March 14, 2024

To: RBRA Board of Directors
From: Brad Gross, Executive Director
Subject: Financial Statements and Independent Auditors' Report for years ending June 30, 2023 and 2022

STAFF RECOMMENDATION:

Accept the Financial Statements and Independent Auditors' Report for years ended June 30, 2023 and 2022.

BACKGROUND:

Every two years, the RBRA engages the services of an accountancy firm to prepare financial statements and conduct an outside, independent audit. The RBRA's last audit for fiscal years ended June 30, 2021 and 2020 was presented and accepted by the Board of Directors in April 2022.

DISCUSSION:

The auditor concludes that the financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2023 and 2022, and in accordance with generally accepted accounting principles. As stated in the auditor's management report, the auditor did not identify any material weaknesses in its review of internal controls.

The sole recommendation under Current Year Observations in the Management Report was to consider formalizing a capitalization policy for lease liabilities and the right to use assets over \$20,000 for consistency with current generally accepted accounting practices. Staff intends to return to the Board with a draft policy that addresses the auditors' recommendation.

Michael O'Connor from the O'Connor & Associates audit firm will be present at the meeting to address questions from the Board members.

ANALYSIS:

As shown in the attached financial statement, at the end of Fiscal Year 2022-23 RBRA had a positive unrestricted net position of \$3,156,120, of which \$3 million was State funding received near fiscal year end for the purposes of advancing RBRA's program goals. The positive fund balance remaining beyond the \$3 million State grant funds will enable RBRA to:

- 1) Support capital and contingency reserves, pursuant to the RBRA Reserves Policy adopted by the Board on April 13, 2023.
- 2) Have less reliance on the County of Marin for advancing cash for paying RBRA invoices in advance of receipt of RBRA revenues.

FISCAL IMPACT:

None from accepting the statements and auditor's report.

NEXT STEPS:

Staff will prepare a draft lease capitalization policy to present to the Board. The process for the financial reports and audit for fiscal year 2024 and 2025 is scheduled to commence in the fall of 2025. The Financial Statements and Independent Auditors' Report will be posted to the RBRA website.

Attachments:

Attachment 1: Draft Annual Financial Reports

Attachment 2: Draft Board of Directors and Management Report