

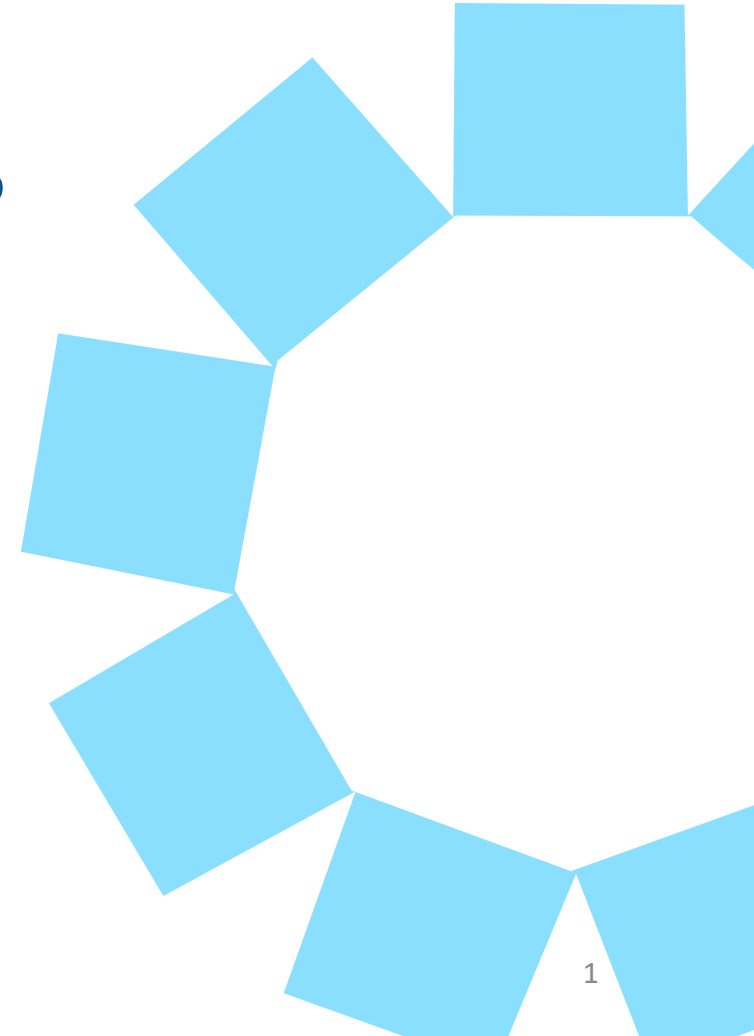


ADVANCING CALIFORNIA FINANCE AUTHORITY

FY 2022-2023 Financial Reports and Year End Audit Results

November 16, 2023

**Grace Martinez,
Section Director,
Financial Reporting & Operational Accounting**



Advancing California Financing Authority (ACFA) Financing Authority for Nonprofit Corporations (ABAG FAN)

The Advancing California Finance Authority (“ACFA”) was created on January 1, 2018, as a joint exercise of powers agency established by the Association of Bay Area Governments (“ABAG”) and the Finance Authority for Nonprofit Corporation (“FAN”) pursuant to the Chapter 5, Division 7 and Title I of the Government Code Section 6500 of the State of California. ABAG and FAN are also joint exercise of powers agencies created and existing under the California Joint Exercise of Powers Act, Sections 6500 through 6599.3 (“Joint Powers Act”).

ABAG FAN assists eligible nonprofit entities and other borrowers in obtaining tax-exempt financing. Eligible entities include nonprofit corporations organized under Internal Revenue Code 501(c)(3) and other qualified borrowers financing projects in the public interest. Payments by these eligible borrowers are used to repay their respective debt and FAN is not liable for the repayment of debt in the event of a default by a borrower.

In April 2020, the Executive Committee of ABAG FAN voted to delegate administrative oversight to the ACFA board. ACFA has assumed direct oversight of all ABAG FAN activities including audit and financial reporting.

STATEMENT OF NET POSITION

- Ending net position for FY 2023 was \$3.5 million, an increase of \$246 thousand
- Cash & cash equivalents for FY 2023 are \$3.4 million, an increase of \$255 thousand
 - Due to revenues exceeding expenses by \$246 thousand
 - Financial services revenues increased by \$40 thousand & interest income increased by \$60 thousand

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,403,950	\$ 3,148,416
Receivables	169,811	188,350
Total assets	<u>3,573,761</u>	<u>3,336,766</u>
Current liabilities	48,066	56,975
Total liabilities	<u>48,066</u>	<u>56,975</u>
Net position		
Unrestricted	<u>3,525,695</u>	<u>3,279,809</u>
Total net position	<u>\$ 3,525,695</u>	<u>\$ 3,279,809</u>

Statement of Revenues, Expenses and Changes in Fund Balance

- Operating revenue for FY 2023 was \$742 thousand, up 4% from FY 2022
 - Increases mainly due to additional financial service requested by the borrowers
 - Administration fees slightly decreased due to conduit debt bond redemption in FY 2023
- Operating expense for FY 2023 was \$568 thousand, up 4% from FY 2022
 - Due to increases in salaries and benefits
- Change in net position was \$246 thousand, vs negative \$123 thousand in FY 2022
 - Difference is mainly the contribution of \$300 thousand to ABAG supporting administration costs during FY 2022

	2023	2022
Operating revenues		
Administration fees	\$ 490,879	\$ 506,199
Project monitoring fees	201,608	197,608
Other financial services revenue	50,000	10,000
Total operating revenues	742,487	713,807
Operating expenses		
Contracted salaries and benefits	209,977	169,950
Professional fees	252,123	291,617
Overhead and other expenses	106,272	86,197
Total operating expenses	568,372	547,764
Operating income	174,115	166,043
Nonoperating revenues and expenses		
Interest Income	71,771	11,326
Contribution to Association of Bay Area Governments	-	(300,000)
Total nonoperating revenues/(expenses)	71,771	(288,674)
Changes in net position	245,886	(122,631)
Net position - beginning	3,279,809	3,402,440
Net position - ending	\$ 3,525,695	\$ 3,279,809

Actions Requested from the Board

- Accept the audited Financial Statements and Accompanying Reports for the Fiscal Year ended June 30, 2023
- Accept the staff recommendation to reappoint Crowe LLP for the FY 2024 audit