

Audit Results and Required Communications

November 17, 2022



Dear Members of the Advancing California Finance Authority Board of Directors,

We are pleased to present our report on the audit of Advancing California Finance Authority. Our report includes a summary of the audit results and also required auditor communications under professional standards.

Our audit is substantially completed. The remaining open items typical of this stage are the receipt of the management representation letter and standard subsequent event procedures through the date of audit report issuance.

We welcome any questions you or others may have on our audit. Thank you for the opportunity to discuss the audit results.

Sincerely,

Katherine V. Kai

Katherine V. Lai

Engagement Partner

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Client Service Team



Rich Perilloux IT Audit Partner



John Weber Concurring Review Partner



Kathy Lai Lead Engagement Partner



Brad Schelle Audit Partner



Scott Nickerson Audit Partner

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Rachel Snyder Senior Manager



Cassandra Taylor IT Audit Senior Manager



Joseph Widjaja Senior Manager



Erika Alvarez Senior Manager



Cory Lee Manager

Tony BorasGASB Technical Reviewer

Brian Archambeault Uniform Guidance Technical Reviewer Bert Nuehring Consulting Partner

Erik Nylund
Consulting
Managing Director

Chris MooreDerivatives Partner

Matt Geerdes Accounting Advisory

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Agenda

Audit Objectives

Audit Results

Required Communications

Audit Objectives



Audit Results

Financial Statement Audit Report



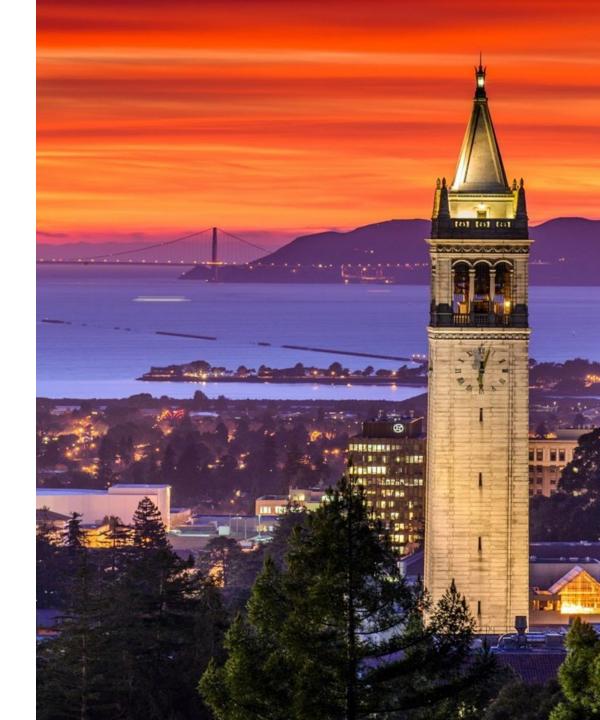
 Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2022.

Entity	Opinion
ACFA	Unmodified

 We did not identify any significant deficiencies or material weaknesses during our audit.

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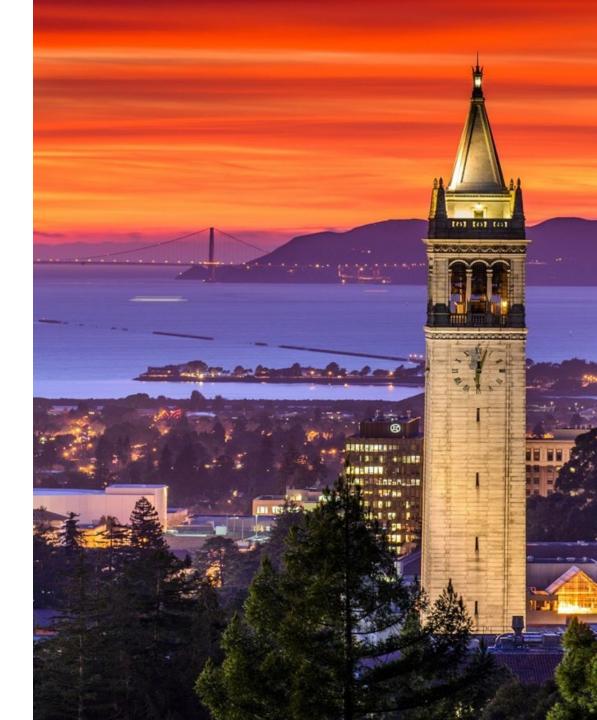
- Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Management has disclosed the summary of significant accounting policies in footnote 1 of each report.
- Management Judgments and Accounting
 Estimates: Further, accounting estimates are
 an integral part of the financial statements
 prepared by management and are based upon
 management's current judgments.



- Adoption of New Accounting Standards:
 - Leases (GASB 87)
 - Accounting for Interest Cost Incurred Before the End of a Construction Period (GASB 89)
 - Omnibus 2020 (GASB 92, certain paragraphs)
 - Replacement of Interbank Offered Rates (GASB 93, paragraphs 13-14)
 - CCUC and Section 457 Plans (GASB 97, except paragraphs 4-5)
 - The Annual Comprehensive Financial Report (GASB 98)
 - Omnibus 2022 (GASB 99, paragraphs 26-32)
 - Implementation Guide 2019-3 (Leases)
 - Implementation Guide 2020-1 (Update 2020, Certain Questions)
 - Implementation Guide 2021-1 (Update 2021, Question 4.22)



- <u>Corrected Misstatements</u>: We did not note any material corrected misstatements that were brought to the attention of management as a result of our audit procedures.
- <u>Uncorrected Misstatements</u>: We did not note any uncorrected misstatements that were brought to the attention of management as a result of our audit procedures.



We did not note:

- Significant Accounting Policies in Controversial or Emerging Areas
- Significant Unusual Transactions
- Significant Difficulties Encountered during the Audit
- Disagreements with Management
- Consultations with Other Accountants
- Significant Related Party Findings and Issues
- Independence matters



Questions?



Thank You

Katherine V. Lai, CPA, CGMA

Partner

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