

Advancing California Finance Authority

Governing Board

September 17, 2020

Agenda Item 7.a.

ABAG FAN Financial Statements

Subject: Report on ABAG FAN Financial Statements from July 2019 to June 2020 (Unaudited)

Background: Attached for your information is the budget-to-actual report for ABAG FAN for the year ending June 30, 2020. The report is unaudited and subject to change based on closing and final audit adjustments.

ABAG FAN is showing an overall deficit of \$1 million mainly due to the transfer to ABAG Administration to retire its unfunded Other Post-Employment Benefits (OPEB) liability.

On the revenue basis, total revenue is \$939,000. The main source of revenue is financial services fees which totaled \$882,753 or 82% of the budget. Interest earnings of \$56,563 (excluding audit adjustments), is \$16,000 over the budget estimate. Excluding budgetary transfers (8401), \$939,000 in earned revenue is nearly 84% of the FY 2020 budget.

On the expense side, the year-end expenses were \$2.1 million or 68% of the FY 2020 budget. Operating expenses excluding the ABAG transfer are \$1.1 million, 53% of the FY 2020 budget. The encumbrance amount of \$1.3 million was overstated due to a system issue. We estimated the adjusted encumbrance balance should be \$696,000 which will be rolled over to the FY 2021 budget.

Excluding transfers, ABAG FAN had a slight operating deficit for FY 2020 which was expected considering the additional costs of starting ACFA and the cost of reconciling the entire portfolio. Overall, ABAG FAN is demonstrating a stable business model.

If you have any questions about this report, please contact Brian Mayhew at (415) 778-6730.

Issues: None

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Recommended Action: The ACFA Governing Board is requested to approve the staff report on ABAG FAN Financial Statements as of June 30, 2020 (Unaudited).

Attachments: Financial Statements

Reviewed:


Therese W. McMillan