

Advancing California Finance Authority (ACFA)/ Finance Authority for Nonprofit Corporations (FAN)

Audit Results and Required Communications

November 18, 2021



Dear Members of the Advancing California Finance Authority (ACFA) Board of Directors,

We are pleased to present our report on the audit of ACFA/FAN. 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.

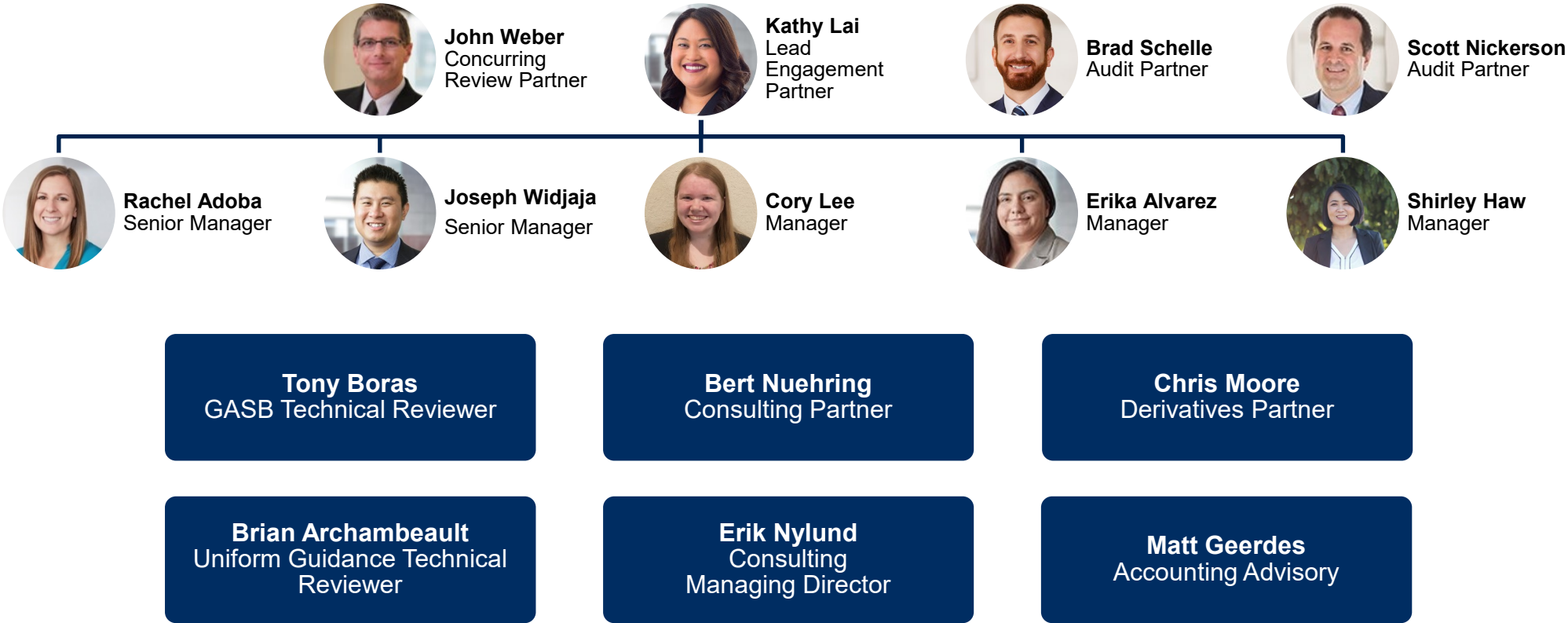
We welcome any questions you or others may have on our audit. Thank you for the opportunity to discuss the audit results.

Sincerely,

A handwritten signature in black ink that reads "Katherine V. Lai".

Katherine V. Lai
Engagement Partner

Client Service Team





Agenda

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Required
Communications

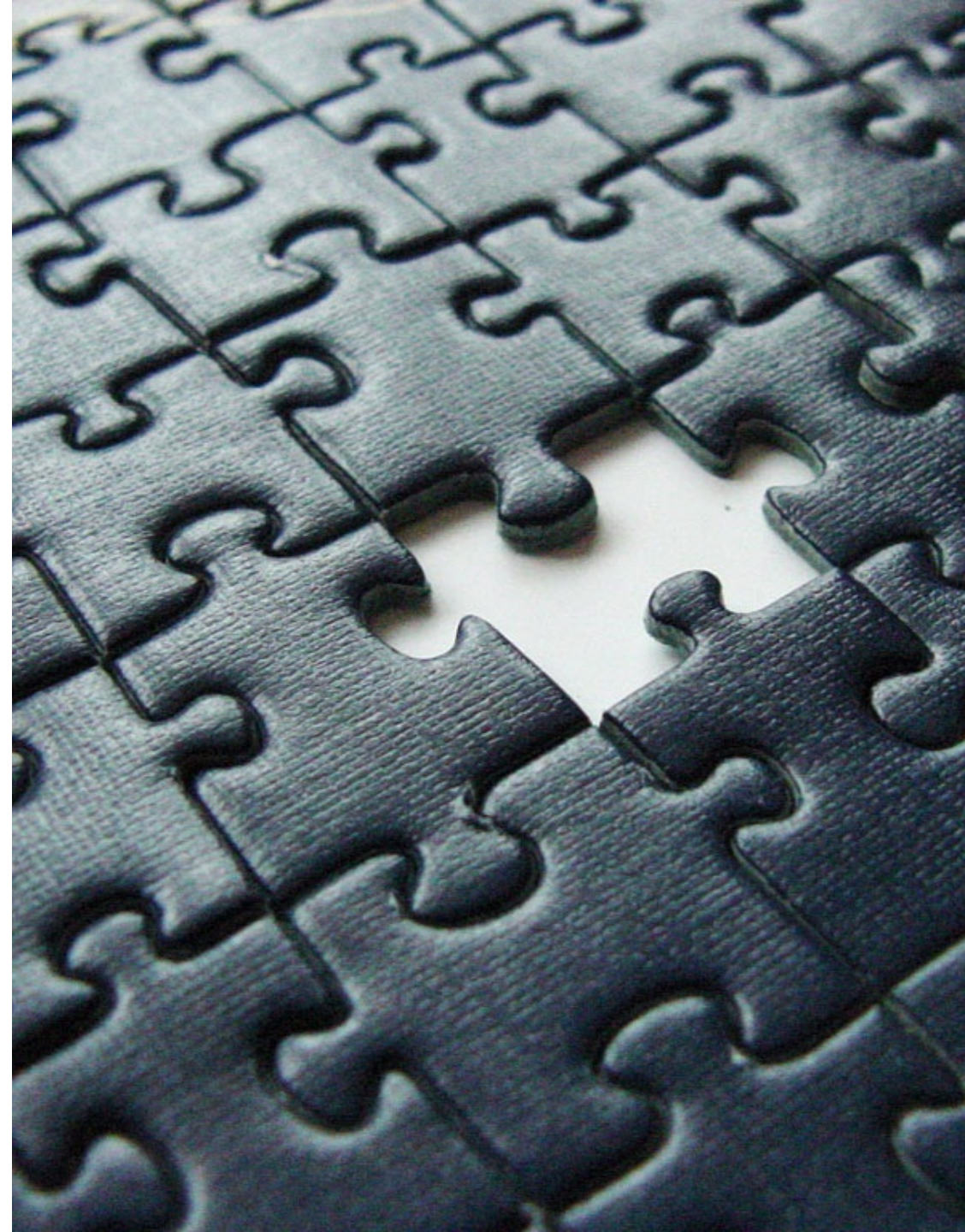
Audit Objectives

Engagement Objectives

- The objective of an audit of financial statements is to express an opinion that the financial statements are in accordance with accounting principles generally accepted in the United States.
- The audit of financial statements will be performed in accordance with auditing standards generally accepted in the United States (GAAS).
- Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud.
- Our audit includes consideration of internal controls over financial reporting, but we do not express an opinion on the effectiveness of such internal controls. Management is responsible for the design and the effectiveness of internal controls.

Reporting Entity

- In FY 21, FAN Executive Committee transferred Administration of ABAG FAN to the Board of the Advancing California Financing Authority (ACFA).
- FAN is a Blended Component Unit of ACFA.



Audit Results

Financial Statement Audit Report



- Independent Auditor's Report on the financial statements as of and for the year ending June 30, 2021.

Entity	Opinion
ACFA/FAN	Unmodified

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

Status of ACFA/FAN Prior Year Deficiencies

- Proper Coding of Vendor Invoices- *Implemented.*



Required Communications

Required Communications

- 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.



Required Communications

- Adoption of New Accounting Standards:
 - GASB Statement No. 84, *Fiduciary Activities*
 - *GASB Statement No. 90, Majority Equity Interests*
 - *GASB Statement No. 93, Replacement of Interbank Offered Rates*
 - *Implementation Guide 2019-1 & 2019-2*



Required Communications

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



Required Communications

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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