

ADVANCING CALIFORNIA FINANCE AUTHORITY

FY 2023-24 Audited Financial Reports

November 14, 2024

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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 2024 was \$3.7 million, an increase of \$199 thousand
- Cash & cash equivalents for FY 2024 were \$3.7 million, an increase of \$263 thousand
 - Due to revenues exceeding expenses by \$199 thousand
 - Decrease in receivables of \$67 thousand

	2024	2023
Cash and cash equivalents	\$ 3,666,946	\$ 3,403,950
Receivables	103,089	169,811
Total assets	3,770,035	3,573,761
Current liabilities	45,396	48,066
Total liabilities	45,396	48,066
Net position		
Unrestricted	3,724,639	3,525,695
Total net position	\$ 3,724,639	\$ 3,525,695

Statement of Revenues, Expenses and Changes in Net Position

- Operating revenue for FY 2024 was \$576 thousand, down 22% from FY 2023
 - Decrease in administration fees due to some bonds being fully redeemed, refunded, or paid off during the fiscal year
 - Less financial services requested by the borrowers

- Operating expense for FY 2024 was \$544 thousand, slightly down 4% from FY 2023
 - Due to decreases in salaries and benefits and professional fees

- Change in net position was \$199 thousand, vs \$246 thousand in FY 2023

	2024	2023
Operating revenues		
Administration fees	\$ 363,722	\$ 490,879
Project monitoring fees	201,763	201,608
Other financial services revenue	10,115	50,000
Total operating revenues	<u>575,600</u>	<u>742,487</u>
Operating expenses		
Contracted salaries and benefits	195,653	209,977
Professional fees	237,833	252,123
Overhead and other expenses	110,293	106,272
Total operating expenses	<u>543,779</u>	<u>568,372</u>
Operating income	<u>31,821</u>	<u>174,115</u>
Nonoperating revenues and expenses		
Interest income	167,123	71,771
Total nonoperating revenues/(expenses)	<u>167,123</u>	<u>71,771</u>
Change in net position	<u>198,944</u>	<u>245,886</u>
Net position - beginning	3,525,695	3,279,809
Net position - ending	<u>\$ 3,724,639</u>	<u>\$ 3,525,695</u>

Actions Requested from the Board

- Accept the audited Financial Statements and Accompanying Reports for the Fiscal Year ended June 30, 2024