ADVANCING CALIFORNIA FINANCE AUTHORITY

FY 2022-2023 Financial Reports and Year End Audit Results

November 16, 2023

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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 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

	2023		2022		
Cash and cash equivalents Receivables	\$	3,403,950 169,811	\$ 3,148,416 188,350		
Total assets	à	3,573,761	3,336,766		
Current liabilities Total liabilities	1	48,066 48,066	56,975 56,975		
	8	46,000	30,973		
Net position Unrestricted	:	3,525,695	3,279,809		
Total net position	\$	3,525,695	\$ 3,279,809		

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	23	50,000	 10,000
Total operating revenues	9.0	742,487	713,807
Operating expenses			
Contracted salaries and benefits		209,977	169,950
Professional fees		252,123	291,617
Overhead and other expenses	87	106,272	 86,197
Total operating expenses	2.	568,372	547,764
Operating income	8.	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)	2.	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