



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Agenda - Final

ABAG FAN Executive Committee

*Chair, Charles Lomeli, Treasurer-Tax Collector-County Clerk,
County of Solano*

Thursday, November 7, 2019

10:00 AM

Golden Gate CR 8102

ABAG Finance Authority for Nonprofit Corporations Executive Committee

The ABAG FAN Executive Committee may act on any item on the agenda.

The meeting is scheduled to begin at 10:00 a.m.

Agenda, roster, and webcast available at <https://abag.ca.gov>

For information, contact Clerk of the Board at (415) 820-7913.

Location

**Bay Area Metro Center, 375 Beale Street, 8th Floor, Golden Gate Conference Room, San
Francisco, California**

Teleconference Locations

County of Contra Costa, 625 Court Street, Room B-001, Martinez, California

**County of Santa Clara, County Government Center, 70 West Hedding Street, E. Wing, 2nd
Floor, San Jose, California**

**County of Solano, County Government Center, 675 Texas Street, Suite 1900, Fairfield,
California**

County of Sonoma, County Fiscal Building, 585 Fiscal Drive, Suite 100, Santa Rosa, California

Roster

Charles Lomeli, Treasurer-Tax Collector-County Clerk, County of Solano

**Jonathan Kadlec, Assistant Auditor-Controller-Treasurer-Tax Collector,
County of Sonoma**

Paul McDonough, Debt Management Officer, County of Santa Clara

Russell Watts, Treasurer-Tax Collector, County of Contra Costa

1. Call to Order / Roll Call / Confirm Quorum

2. Public Comment

Information

3. Executive Committee Announcements

Information

4. Chair's Report

Information

5. Consent Calendar

- 5.a. [19-1207](#) Approval of ABAG FAN Executive Committee Minutes of September 5, 2019
- Action: Approval
- Presenter: Secretary
- Attachments: [Item 05A Minutes 20190905 Draft.pdf](#)

6. Conflict of Interest Code

- 6.a. [19-1208](#) Amendment of ABAG FAN Conflict of Interest Code
- Consider proposed revisions to ABAG FAN's Conflict of Interest Code (COIC), authorize public comment period regarding same, and authorize submission of proposed amended COIC to the Fair Political Practices Commission for formal approval if no comments are received.
- Action: Approval
- Presenter: Leslie Miessner
- Attachments: [Item 06 Summary Sheet COIC Amendment v.2.pdf](#)
[Item 06 Attachment A Notice of Intention to Amend FAN COIC v1.pdf](#)
[Item 06 Attachment B COIC Proposed Amendmt Nov 2019 v1.pdf](#)

7. Financial Statements

- 7.a. [19-1209](#) Approval of ABAG FAN Financial Statements from July to August 2019 (Unaudited)
- Action: Approval
- Presenter: Brian Mayhew
- Attachments: [Item 07 Summary Sheet Financial Statements August 2019 v2.pdf](#)
[Item 07 Attachment Report Financial Statements August 2019.pdf](#)

8. Financial Audit

- 8.a. [19-1226](#) Approval of ABAG FAN Financial Audit for Fiscal Year 2018-19
- Action: Approval
- Presenter: Arliecka Conley
- Attachments: [Item 08 Summary Sheet Audit Financial Statement June 30 2019 v2.pdf](#)
[Item 08 Attachment Audit Report Results FY 2019.pdf](#)
[Item 08 Attachment Audit Financial Report FY 2019.pdf](#)

9. Adjournment / Next Meeting

The next meeting of the ABAG FAN Executive Committee is on December 5, 2019.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者, 請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知, 以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 19-1207 **Version:** 1 **Name:**
Type: Minutes **Status:** Committee Approval
File created: 10/15/2019 **In control:** ABAG FAN Executive Committee
On agenda: 11/7/2019 **Final action:**
Title: Approval of ABAG FAN Executive Committee Minutes of September 5, 2019
Sponsors:
Indexes:
Code sections:
Attachments: [Item 05A Minutes 20190905 Draft.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Approval of ABAG FAN Executive Committee Minutes of September 5, 2019

Secretary

Approval



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Minutes - Draft

ABAG FAN Executive Committee

*Chair, Charles Lomeli, Treasurer-Tax Collector-County Clerk,
County of Solano*

Thursday, September 5, 2019

10:00 AM

Golden Gate CR 8102

ABAG Finance Authority for Nonprofit Corporations Executive Committee

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The meeting is scheduled to begin at 10:00 a.m.

Agenda, roster, and webcast available at <https://abag.ca.gov>

For information, contact Secretary at (415) 820-7913.

Location

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Roster

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Jonathan Kadlec, Assistant Auditor-Controller-Treasurer-Tax Collector,
County of Sonoma

Paul McDonough, Debt Management Officer, County of Santa Clara

Russell Watts, Treasurer-Tax Collector, County of Contra Costa

1. Call to Order / Roll Call / Confirm Quorum

Committee Member Kadlec called the meeting to order at about 10:10 a.m. Quorum was present. The following members participated by teleconference: Kadlec, McDonough, Watts.

Present: 3 - Kadlec, McDonough, and Watts

Absent: 1 - Lomeli

2. Public Comment

There was no public comment.

3. Executive Committee Announcements

There were no Executive Committee member announcements.

4. Chair's Report

There was no Chair's Report.

5. Consent Calendar

- 5.a. [19-0939](#) Approval of ABAG FAN Executive Committee Minutes of June 6, 2019

Upon the motion by McDonough and second by Watts, the Consent Calendar, including minutes of June 6, 2019, was approved. The motion passed unanimously by the following roll call vote:

Aye: 3 - Kadlec, McDonough, and Watts

Absent: 1 - Lomeli

6. Year End Financial Statements (Unaudited)

6. [19-0940](#) Report on ABAG FAN Financial Statements from July 2018 to June 2019 (Unaudited)

Raymond Woo gave the staff report. There was no public comment.

Upon the motion by Watts and second by McDonough, the Report on ABAG FAN Financial Statements from July 2018 to June 2019 (Unaudited) was approved. The motion passed unanimously by the following roll call vote:

Aye: 3 - Kadlec, McDonough, and Watts

Absent: 1 - Lomeli

7. Annual Portfolio Update

7. [19-0941](#) Report on Annual Portfolio Update

Nicholas Mar gave the staff report. There was no public comment.

Upon the motion by McDonough and second by Watts, the Report on Annual Portfolio Update was approved. The motion passed unanimously by the following roll call vote:

Aye: 3 - Kadlec, McDonough, and Watts

Absent: 1 - Lomeli

8. ABAG FAN Successor Agency

8. [19-0942](#) Report on ABAG FAN Successor Agency Phase I

Brian Mayhew gave the staff report. There was no public comment.

Upon the motion by Watts and second by McDonough, the Executive Committee authorized the Executive Director of the Metropolitan Transportation Commission, or her designee, to authorize Nixon Peabody to conduct ABAG Finance Authority for Nonprofit Corporations Successor Agency Phase II in an amount not to exceed \$250,000. The motion passed unanimously by the following roll call vote:

Aye: 3 - Kadlec, McDonough, and Watts

Absent: 1 - Lomeli

9. Adjournment / Next Meeting

Committee Member Kadlec adjourned the meeting at about 10:27 a.m. The next regular meeting of the ABAG FAN Executive Committee is on October 3, 2019.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
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Legislation Details (With Text)

File #: 19-1208 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 10/15/2019 **In control:** ABAG FAN Executive Committee
On agenda: 11/7/2019 **Final action:**
Title: Amendment of ABAG FAN Conflict of Interest Code

Consider proposed revisions to ABAG FAN's Conflict of Interest Code (COIC), authorize public comment period regarding same, and authorize submission of proposed amended COIC to the Fair Political Practices Commission for formal approval if no comments are received.

Sponsors:

Indexes:

Code sections:

Attachments: [Item 06 Summary Sheet COIC Amendment v.2.pdf](#)
[Item 06 Attachment A Notice of Intention to Amend FAN COIC v1.pdf](#)
[Item 06 Attachment B COIC Proposed Amendmt Nov 2019 v1.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Amendment of ABAG FAN Conflict of Interest Code

Consider proposed revisions to ABAG FAN's Conflict of Interest Code (COIC), authorize public comment period regarding same, and authorize submission of proposed amended COIC to the Fair Political Practices Commission for formal approval if no comments are received.

Leslie Miessner

Approval

ABAG Finance Authority for Nonprofit Corporations

Executive Committee

November 7, 2019

Agenda Item 6

Conflict of Interest Code

Subject: Amendment of ABAG FAN Conflict of Interest Code

Background: A local agency's conflict of interest code (COIC) must reflect the current structure of the agency and properly identify officials and employees who should be filing Form 700, the Statement of Economic Interests. A COIC tells public officials, employees and consultants what types of financial interests they must disclose on their Form 700s. To ensure COICs remain current and accurate, each local agency is required to review its code at least every even-numbered year. In connection with the 2018 biennial review of ABAG FAN's COIC, staff determined that the designated positions needed to be updated to reflect the Metropolitan Transportation Commission (MTC)-Association of Bay Area Governments (ABAG) staff consolidation.

Pursuant to the Contract for Services between ABAG and MTC, dated as of May 30, 2017 (Contract for Services), the staff of ABAG became employees of MTC, effective July 1, 2017. The following MTC consolidated staff positions have been determined to make or participate in the making of ABAG FAN decisions that may foreseeably have a material financial effect on an economic interest: Deputy Executive Director, Local Government Services; General Counsel; Senior Deputy General Counsel; Senior Counsel; Director, Finance & Accounting; and Director, Treasury & Revenue. These positions have been added to the list of designated positions in ABAG FAN's COIC (formerly Appendix A, now Appendix B).

Other proposed changes to the COIC include the deletion of one of the disclosure categories per the direction of Fair Political Practices Commission (FPPC) staff; deletion of the former Appendix B and concomitant listing of officials who manage public investments at the end of the list of designated positions (formerly Appendix A, now Appendix B), where they are listed for informational purposes only, because they file Form 700 under the Political Reform Act (Government Code § 87200); and the addition of background information in a section entitled "Conflict of Interest Disclosure Designations." All of the proposed changes have been reviewed and given initial approval by the FPPC.

FPPC amendment procedures require that a written notice of intent to amend the COIC must be given 45 days prior to the time the proposed amendment is submitted to the FPPC for formal

ABAG Finance Authority for Nonprofit Corporations

Executive Committee

November 7, 2019

Agenda Item 6

Conflict of Interest Code

approval. A copy of that written notice is attached to this Summary Sheet. The comment period will run from Friday, November 8, 2019 through Monday, December 23, 2019.

Any interested person may request a public hearing to comment on the proposed COIC amendment, if any such request is made no later than 15 days prior to the close of the comment period, or by Friday, December 6, 2019. If no request for a hearing is received, staff would submit the proposed amended COIC to the FPPC for formal approval, and the COIC as amended would be effective 30 days after FPPC approval.

Issues: None identified.

Recommended Actions: The ABAG FAN Executive Committee is requested to authorize staff to circulate the proposed changes to the Conflict of Interest Code for public comment and to schedule a public hearing if there is a request from the public to do so; and, assuming no comments are received, to authorize staff to submit the proposed amended COIC to the Fair Political Practices Commission for formal approval.

Attachments: A. Notice of Intention to Amend the Conflict of Interest Code of ABAG Finance Authority for Nonprofit Corporations

B. Proposed Amended Conflict of Interest Code

Reviewed:



Therese McMillan

NOTICE OF INTENTION TO AMEND THE CONFLICT OF INTEREST CODE OF ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

NOTICE IS HEREBY GIVEN that ABAG Finance Authority for Nonprofit Corporations (ABAG FAN), pursuant to the authority vested in it by section 87306 of the Government Code, proposes amendment to its conflict of interest code. A comment period has been established commencing on November 8, 2019 and closing on December 23, 2019. All inquiries should be directed to the contact listed below.

ABAG FAN proposes to amend its conflict of interest code to include Metropolitan Transportation Commission (MTC) employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. The amendment carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

Changes to the conflict of interest code include: changes reflecting the ABAG-MTC staff consolidation, and other technical changes.

The proposed amendment and explanation of the reasons for the changes can be obtained from the agency's contact.

Any interested person may submit written comments relating to the proposed amendment by submitting them no later than December 23, 2019, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than December 6, 2019.

ABAG FAN has determined that the proposed amendments:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

Copies of the proposed amendment and explanation of the reasons for it will be made available to any interested person who calls Frederick Castro, Clerk of the Board, ABAG FAN, during business hours at (415) 820-7913. Written requests for copies of the proposed amendment and explanation of the reasons for it, and written comments on the amendment, may be sent to Mr. Castro at ABAG's offices, 375 Beale Street, Suite 700, San Francisco, CA 94105. Any inquiries concerning the proposed amendment should be directed to Cynthia Segal, MTC Deputy General Counsel, at (415) 778-6713, or csegal@bayareametro.gov.

Revisions in ~~strikeout~~ and underline

~~SECOND~~THIRD AMENDED

CONFLICT OF INTEREST CODE

ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 California Code of Regulations Section ~~S~~5 18730, et seq., which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference in an agency's Code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations, Sections 18730, et seq., and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendices in which officials and ~~employees~~positions are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the ~~Second~~Third Amended Conflict of Interest Code of ABAG Finance Authority for Nonprofit Corporations (Authority).

~~Designated employees~~Persons who hold designated positions shall file their statements with the Association of Bay Area Governments (ABAG) who will make the statements available for public inspection and reproduction. (Gov. Code Section 81008). Statements for all persons who hold designated ~~employees~~positions will be retained by ~~the Association of Bay Area Governments~~ABAG.

APPENDIX A
DISCLOSURE CATEGORIES

Disclosure Category 1

Persons designated in this category must disclose all investments and business positions in business entities and sources of income if such entities or sources of income filed claims against any member jurisdiction of the Authority or the Authority itself during the reporting period.

Disclosure Category 2

~~Persons designated in this category must disclose all investments and business positions in business entities and sources of income if the business entities are of the type in which the Authority is empowered to invest its funds.~~

Disclosure Category 32

Persons designated in this category must disclose all investments and business positions in business entities and sources of income if the business entities or sources of income are of the type that contract with the Authority, or its administrative agency, to supply goods, services, materials, supplies or leased space.

Disclosure Category 43

Persons designated in this category must disclose all investments and business positions in business entities and sources of income that are insurance companies, ~~carriers~~carriers, holding companies, underwriters, agents, solicitors or brokers.

ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS

APPENDIX AB

DESIGNATED POSITIONS

| <u>Designated Positions</u> | <u>Disclosure Category</u> |
|---|--|
| Members and Alternate Members of Board of Directors | 1, 2, 3, 4 |
| President* | 1, 2, 3, 4 |
| Manager, Financial Services | 1, 2, 3, 4 |
| Legal Counsel | 1, 2, 3, 4 |
| <i><u>MTC Staff serving ABAG and the Authority pursuant to the Contract for Services, including:</u></i> | <i><u>1, 2, 3 (except where otherwise indicated)</u></i> |
| <ul style="list-style-type: none">• <i><u>Deputy Executive Director, Local Government Services</u></i>• <i><u>General Counsel</u></i>• <i><u>Senior Deputy General Counsel</u></i>• <i><u>Senior Counsel</u></i>• <i><u>Director, Finance & Accounting</u></i> <i><u>(Categories 2, 3)</u></i>• <i><u>Director, Treasury & Revenue</u></i> <i><u>(Categories 2, 3)</u></i> | |
| Consultants/<u>New Positions</u>* | <u>1, 2, 3</u> |

~~* This position is held by the Executive Director, Association of Bay Area Governments.~~

* With respect to ~~C~~consultants/new positions, the ~~President, who is the Chief Administrative Officer,~~Executive Director of the Metropolitan Transportation Commission (MTC) may determine in writing that a particular consultant or new position, although a “designated person,” is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this Section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of the disclosure requirements and shall be retained ~~in the Comp Pool's files~~for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any such consultant from any other provision of this Conflict of Interest Code.

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

It has been determined that the positions listed below manages public investments and will file a Statement of Economic Interests pursuant to Government Code Section 87200:

Members and Alternate Members of Executive Committee of Authority Board of Directors

Executive Director of MTC, acting pursuant to the Contract for Services

Chief Financial Officer of MTC, acting pursuant to the Contract for Services

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

CONFLICT OF INTEREST DISCLOSURE DESIGNATIONS

The Authority has identified three (3) disclosure categories: (1) requires disclosure of business entities and business positions in which designated parties have investments or sources of income to them if such entities or sources of income have filed claims against any member jurisdiction of the Authority or the Authority itself; (2) requires designated persons to disclose business entities and business positions in which they have investments or sources of income to them if such entities are of the type which contract with the Authority or ABAG to supply goods, services, materials, supplies, or leased space; and (3) requires designated persons to disclose business entities and business positions in which designated parties have investments or sources of income to them if such entities or sources of income are insurance companies, carriers, holding companies, underwriters, agents, solicitors or brokers.

The designated position list is intended to include all persons with decision-making powers or influence concerning how, where and with whom the Authority invests funds and contracts for goods and services to disclose any bias such parties may have in making substantive decisions concerning the operations of the Authority.

Effective July 1, 2017, the Metropolitan Transportation Commission (MTC), pursuant to the Contract for Services dated as of May 30, 2017 (Contract for Services) between MTC and ABAG, provides consolidated staff to perform work for ABAG and its affiliated Local Collaboration Programs, including the Authority.

The primary decision-making positions of the Authority are the members and alternate members of the Executive Committee of the Authority Board of Directors (Board). The members and alternate members of the Executive Committee of the Board are not included in the Code because "city, county and local agency public officials who manage public investments" are not "designated employees" and file Statements of Economic Interest pursuant to Government Code § 87200. However, under the Contract for Services, certain MTC staff may make recommendations to or bring information or proposals to the members of the Board and thus may influence the Board's decisions concerning the Authority. MTC staff serving ABAG and the Authority under the Contract for Services are not employees of ABAG but are included in the list of designated positions under this Code as consultants pursuant to Government Code Section

82019, which includes consultants within the definition of “designated employee”. Additionally, with the exception of consultants whose duties are limited in scope and who thus may have limited disclosure responsibilities, consultants shall be required by the Authority’s Code to file Statements of Economic Interest and any supplementary information that may from time to time be required annually and upon assuming and leaving office/job position as set forth in 2 California Code of Regulations, § 18730(b)(5).

APPENDIX B

~~OFFICIALS WHO MANAGE PUBLIC INVESTMENTS~~

~~It has been determined that the position listed below manages public investment and will file a Statement of Economic Interests pursuant to Government Code Section 87200:~~

~~Chief Financial Officer*~~

~~*This position is held by the Finance Director, Association of Bay Area Governments.~~



Metropolitan Transportation Commission

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Title: Approval of ABAG FAN Financial Statements from July to August 2019 (Unaudited)
Sponsors:
Indexes:
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| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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Approval of ABAG FAN Financial Statements from July to August 2019 (Unaudited)

Brian Mayhew

Approval

ABAG Finance Authority for Nonprofit Corporations

Executive Committee

November 7, 2019

Agenda Item 7

Financial Statements

Subject: Approval of ABAG FAN Financial Statements from July to August 2019 (Unaudited)

Background: Attached is the Budget-to-Actual report for ABAG Finance Authority for Nonprofit Corporations (ABAG FAN) as of the August 31, 2019.

The report is showing a deficit of \$1 million mainly due to the transfer to ABAG Admin to retire its remaining Other Post-Employment Benefits (OPEB) costs. Other financial highlights are as follows:

Total revenue of \$84,498 is approximately 8% of the adopted budget. We have not recorded any LAIF interest revenue (Obj 4801) at the end of August as this revenue is received on a quarterly basis. Meanwhile, a loss of \$6,317 on investment revaluation (Obj 4850) is the result of reversing the year end entry posted in FY 2018-19. Most of the annual fees are collected at mid-year; therefore, fee revenue is expected to catch up later.

YTD expenses of \$1.1 million is 46% of the adopted budget. Actual is overrunning the projected budget due to the \$1 million transfer (Obj 5600) to ABAG Admin at the beginning of the year. Operating expenses before transfer is \$125,340 which is 8% of its budget. We anticipate more consultant and legal expenses later in the year which will bring expenses more in line with budget.

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

Issues: None

Recommended Action: The ABAG FAN Executive Committee is requested to approve the staff report.

Attachment: Financial Statements

Reviewed:



Therese McMillan

Budget to Actual by Fund

Ledger: GL
Report Date: 08/31/2019
Fiscal Year: 2020

(with Encumbrances)

Period: 2
Budget Version: WK
Budget Level: OB

Fund 481 ABAG FAN

REVENUE ACCOUNTS

| <u>Object Description</u> | <u>Object</u> | <u>Budget</u> | <u>Actual</u> | <u>Encumbrance</u> | <u>Balance</u> |
|--------------------------------|---------------|---------------|---------------|--------------------|----------------|
| Int Income - LAIF | 4801 | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| Interest Income - CalTrust | 4804 | 20,000.00 | 3,912.87 | 0.00 | 16,087.13 |
| Gain/Loss Revaluation Investmt | 4850 | 0.00 | -6,316.77 | 0.00 | 6,316.77 |
| Financial Services Revenue | 4953 | 20,000.00 | 0.00 | 0.00 | 20,000.00 |
| Administrative fees | 4956 | 847,000.00 | 45,277.02 | 0.00 | 801,722.98 |
| Project monitoring fees | 4957 | 217,000.00 | 41,625.00 | 0.00 | 175,375.00 |

EXPENSE ACCOUNTS

| <u>Object Description</u> | <u>Object</u> | <u>Budget</u> | <u>Actual</u> | <u>Encumbrance</u> | <u>Balance</u> |
|-------------------------------|---------------|---------------|---------------|--------------------|----------------|
| Salaries | 5000 | 340,847.00 | 34,196.13 | 0.00 | 306,650.87 |
| Benefits | 5099 | 172,376.00 | 28,726.05 | 0.00 | 143,649.95 |
| Travel Expense | 5100 | 6,000.00 | 65.48 | 0.00 | 5,934.52 |
| Conference/Trning Exps & Fees | 5130 | 3,000.00 | 0.00 | 0.00 | 3,000.00 |
| Advertising/Public Awareness | 5142 | 0.00 | 0.00 | 0.00 | 0.00 |
| Storage Rental | 5184 | 0.00 | 0.00 | 0.00 | 0.00 |
| Memberships | 5270 | 150.00 | 0.00 | 0.00 | 150.00 |
| Subscriptions | 5280 | 0.00 | 0.00 | 0.00 | 0.00 |
| Consultant/Professional Fees | 5300 | 450,000.00 | 24,675.49 | 661,218.26 | -235,893.75 |
| Legal Fees | 5340 | 50,000.00 | 0.00 | 135,180.34 | -85,180.34 |
| Passthru/Contrib-Othr Agncies | 5600 | 1,000,000.00 | 987,853.00 | 0.00 | 12,147.00 |
| Commtee Member's Stipend | 5703 | 0.00 | 0.00 | 0.00 | 0.00 |
| Audit | 5717 | 73,000.00 | 36,550.00 | 7,898.00 | 28,552.00 |
| Bank Service Charges | 5750 | 18,720.00 | 1,126.90 | 0.00 | 17,593.10 |
| Miscellaneous | 5755 | 25,000.00 | 0.00 | 0.00 | 25,000.00 |
| Indirect Costs | 5763 | 274,512.00 | 0.00 | 0.00 | 274,512.00 |
| Transfers out | 8000 | 0.00 | 0.00 | 0.00 | 0.00 |
| Revenue: | | 1,124,000.00 | 84,498.12 | 0.00 | 1,039,501.88 |
| Expenses: | | 2,413,605.00 | 1,113,193.05 | 804,296.60 | 496,115.35 |
| Net: | | -1,289,605.00 | -1,028,694.93 | -804,296.60 | 543,386.53 |



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 19-1226 **Version:** 1 **Name:**
Type: Report **Status:** Committee Approval
File created: 10/22/2019 **In control:** ABAG FAN Executive Committee
On agenda: **Final action:**
Title: Approval of ABAG FAN Financial Audit for Fiscal Year 2018-19
Sponsors:
Indexes:
Code sections:
Attachments: [Item 08 Summary Sheet Audit Financial Statement June 30 2019 v2.pdf](#)
[Item 08 Attachment Audit Report Results FY 2019.pdf](#)
[Item 08 Attachment Audit Financial Report FY 2019.pdf](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

Approval of ABAG FAN Financial Audit for Fiscal Year 2018-19

Arliecka Conley

Approval

ABAG Finance Authority for Nonprofit Corporations

Executive Committee

November 7, 2019

Agenda Item 8

Financial Audit

Subject: Approval of ABAG FAN Financial Audit for Fiscal Year 2018-19

Background: Staff requests that the Executive Committee for the ABAG Finance Authority for Nonprofit Corporations (FAN) accept the attached Financial Statements for the fiscal year ending June 30, 2019. The Financial statements are audited by Price Waterhouse Cooper (PWC) whose opinion letter is included.

The presentation of the annual financial report consists of three distinct components. These components are:

- Report to the Executive Committee – Prepared by our external auditors, Price Water Coopers (PWC). This is direct communication between the independent auditors and the Executive Committee. There are no issues of internal control weakness or questioned costs in the report.
- Report of the Independent Auditors (p. 1) This is the opinion expressed by the auditors on the accuracy of the financial statements. The opinion is “unmodified” meaning there are no material questions of internal controls or the financial statements.
- Financial Statements for the fiscal year ending June 30, 2019


Other than year-end net position (p. 5), the notes and supplementary information provide comprehensive detail of the existing debt portfolio. Note 4 (p.16) breaks down the nearly \$1.8 billion portfolio by debt type. The Community Facility Districts are listed on (p. 18) and broken down by category on pages 20-22.

Overall, FAN ended the year in excellent financial and operational shape. While there was a small deficit in FY 2019, it was substantially smaller than FY 2018 and still accommodated Executive Committee support for ABAG operations.

Issues: None.

Recommended Actions: The ABAG FAN Executive Committee is requested to accept and approve the ABAG FAN Financial Audit for Fiscal Year 2018-19.

Attachments: A. Report to the Executive Committee FY 2019 Audit Results
B. ABAG FAN Financial Statements for the Year Ended June 30, 2019

Reviewed: 
Therese W. McMillan

Embedded Secure Document

The file <https://mtc.legistar.com/View.ashx?M=F&ID=7834870&GUID=4D4F0F0F-83B2-43E8-B80F-B81D46D02B35> is a secure document that has been embedded in this document. Double click the pushpin to view.



ABAG FAN

Finance Authority for Nonprofit Corporations

Financial Statements

For the Year Ended June 30, 2019

ABAG Finance Authority for Nonprofit Corporations

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For the Year Ended June 30, 2019

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Report of Independent Auditors

To the Members of the Executive Committee of the
ABAG Finance Authority for Nonprofit Corporations:

We have audited the accompanying financial statements of the ABAG Finance Authority for Nonprofit Corporations ("FAN"), which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position and of cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to FAN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FAN's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ABAG Finance Authority for Nonprofit Corporations as of June 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matter

The accompanying management's discussion and analysis ("MD&A") on pages 3 through 6 is required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise FAN's basic financial statements. The other supplementary schedules appearing on pages 18 through 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, these supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

DRAFT

San Francisco, California
Month XX, 2019

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2019
Management's Discussion and Analysis (unaudited)

Management's Discussion and Analysis

This financial report is designed to provide a general overview of Association of Bay Area Governments Finance Authority for Nonprofit Corporations (FAN). The Management's Discussion and Analysis (MD&A) provides an overview of the FAN's financial activities in the fiscal year, and it should be read in conjunction with the financial statements and the notes which follow.

A. Financial Highlights

1. FAN had an operating gain of \$167,343 before a contribution to Association of Bay Area Governments (ABAG).
2. In March 2019, FAN made a contribution of \$350,000 to ABAG (see Note 1.J).
3. FAN's change in the net position decreased by \$60,000 in fiscal year 2019.

B. Overview of the Financial Statements

FAN's financial statements include *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and *Statement of Cash Flows*. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statement of Net Position report assets, liabilities and the difference as net position. *The Statement of Revenues, Expenses, and Changes in Net Position* consists of operating revenues and expenses and nonoperating revenues and expenses. *Statement of Cash Flows* is presented using the direct method.

The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are presented on pages 7 – 9 of this report.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2019
Management's Discussion and Analysis (unaudited)

C. Financial Analysis

Statement of Net Position

The following table is a summary of FAN's statement of net position for the last two fiscal years:

| | 2019 | 2018 |
|----------------------|--------------|--------------|
| Cash and investments | \$ 4,127,699 | \$ 4,346,486 |
| Receivables | 204,112 | 202,954 |
| Prepaid items | - | 1,596 |
| Total assets | 4,331,811 | 4,551,036 |
| Current liabilities | 69,206 | 228,431 |
| Total liabilities | 69,206 | 228,431 |
| Net position | | |
| Unrestricted | 4,262,605 | 4,322,605 |
| Total net position | \$ 4,262,605 | \$ 4,322,605 |

Cash and investments decreased by \$218,787 in fiscal year 2019 compared to fiscal year 2018. The decrease in cash was mainly due to a \$350,000 contribution to ABAG.

The current liabilities decreased by \$159,225 in fiscal year 2019 compared to fiscal year 2018. The decrease in current liabilities was mainly due to less outstanding vendor invoices at the end of fiscal year 2019.

The net position decreased by \$60,000 in fiscal year 2019 compared to fiscal year 2018. The decrease in net position was mainly due to a \$350,000 contribution to ABAG, offset by \$122,657 of interest income and \$167,343 of operating income.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2019
Management's Discussion and Analysis (unaudited)

Statement of Revenues, Expenses, and Changes in Net Position

The following table is a summary of FAN's statement of revenues, expenses, and changes in net position for the last two fiscal years:

| | 2019 | 2018 |
|---|---------------------|---------------------|
| Operating revenues | | |
| Administration fees | \$ 653,838 | \$ 690,868 |
| Project monitoring fees | 305,585 | 221,607 |
| Closing fees | 129,450 | 12,500 |
| Other financial services revenues | 39,961 | 2,000 |
| Total operating revenues | 1,128,834 | 926,975 |
| Operating expenses | | |
| Salaries and benefits | 419,430 | 455,828 |
| Professional fees | 297,312 | 468,147 |
| Other expenses | 244,749 | 201,194 |
| Total operating expenses | 961,491 | 1,125,169 |
| Operating income / (loss) | 167,343 | (198,194) |
| Nonoperating revenues and (expenses) | | |
| Interest income | 122,657 | 37,258 |
| Gain on sale of capital asset | - | 4,577 |
| Contribution to Association of Bay Area Governments | (350,000) | (168,451) |
| Total nonoperating revenues / (expenses) | (227,343) | (126,616) |
| Changes in net position | (60,000) | (324,810) |
| Net position - beginning | 4,322,605 | 4,647,415 |
| Net position - ending | <u>\$ 4,262,605</u> | <u>\$ 4,322,605</u> |

Total operating revenues increased by \$201,859 in fiscal year 2019 compared to fiscal year 2018. The increase in operating revenues was mainly due to the increased closing fees from the refunding of 690 & 942 Market Street Project as well as final payments of monitoring fees from the Bryte Gardens and Mountain View Apartments projects.

ABAG Finance Authority for Nonprofit Corporations

Financial Statements as of June 30, 2019

Management's Discussion and Analysis (unaudited)

Total operating expenses decreased by \$163,678 in fiscal year 2019 compared to fiscal year 2018. The decrease in operating expenses was mainly due to the decrease in consultant fees of \$165,396.

Interest income increased by \$85,399 in fiscal year 2019 compared to fiscal year 2018. The increase was due to higher interest rates. Nonoperating expenses increased by \$181,549 in fiscal year 2019 compared to fiscal year 2018. The increase was due to a contribution to ABAG. (see Note 1.K).

D. Notes to the Financial Statements

The notes to the financial statements beginning on page 10, provide additional information that is essential to a full understanding of the data provided in this management discussion and analysis (MD&A) and the financial statements.

Requests for information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, ABAG Finance Authority for Nonprofit Corporations, 375 Beale Street, Suite 800, San Francisco, CA 94105.

ABAG Finance Authority for Nonprofit Corporations
Statement of Net Position
For the Year Ended June 30, 2019

ASSETS

Current assets:

| | | |
|------------------------|----|------------------|
| Cash | \$ | 259,705 |
| Short term investments | | 2,794,878 |
| Accounts receivable | | 185,487 |
| Interest receivable | | <u>18,625</u> |
| Total current assets | | <u>3,258,695</u> |

Non-current assets:

| | | |
|-----------------------|--|-------------------------|
| Long term investments | | <u>1,073,116</u> |
| TOTAL ASSETS | | <u><u>4,331,811</u></u> |

LIABILITIES

Current liabilities:

| | | |
|--|--|---------------|
| Accounts payable & accrued liabilities | | 11,156 |
| Due to other government | | <u>58,050</u> |
| TOTAL LIABILITIES | | <u>69,206</u> |

NET POSITION

| | | |
|---------------------------|----|-------------------------|
| Unrestricted | | <u>4,262,605</u> |
| TOTAL NET POSITION | \$ | <u><u>4,262,605</u></u> |

See accompanying notes to financial statements

ABAG Finance Authority for Nonprofit Corporations
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019

OPERATING REVENUES

| | |
|---------------------------------|-------------------------|
| Administration fees | \$ 653,838 |
| Project monitoring fees | 305,585 |
| Closing fees | 129,450 |
| Financial services revenue | <u>39,961</u> |
| TOTAL OPERATING REVENUES | <u>1,128,834</u> |

OPERATING EXPENSES

| | |
|---------------------------------|-----------------------|
| Salaries and benefits | 419,430 |
| Professional fees | 297,312 |
| Overhead | 227,617 |
| Other expenses | <u>17,132</u> |
| TOTAL OPERATING EXPENSES | <u>961,491</u> |

OPERATING INCOME

167,343

NONOPERATING REVENUES AND (EXPENSES)

| | |
|------------------------------------|-------------------------|
| Interest income | 122,657 |
| Contribution to ABAG | <u>(350,000)</u> |
| TOTAL NONOPERATING EXPENSES | <u>(227,343)</u> |

CHANGE IN NET POSITION

(60,000)

Net position - Beginning of year

4,322,605

Net position - End of year

\$ 4,262,605

See accompanying notes to financial statements

ABAG Finance Authority for Nonprofit Corporations
Statement of Cash Flows
For the Year Ended June 30, 2019

Cash flows from operating activities

| | |
|--|--------------------|
| Cash receipts from financial services | \$ 1,132,604 |
| Cash payments to consultant and employees for services | <u>(1,119,121)</u> |
| Net cash provided by operating activities | <u>13,483</u> |

Cash flows from non-capital financing activities

| | |
|--|------------------|
| Contribution to Association of Bay Area Governments | <u>(350,000)</u> |
| Net cash used in non-capital financing activities | <u>(350,000)</u> |

Cash flows from investing activities

| | |
|--|----------------|
| Proceeds from maturity of investments | <u>150,000</u> |
| Net cash provided by investing activities | <u>150,000</u> |

Net decrease in cash (186,517)

Balances - Beginning of year 446,222

Balances - End of year \$ 259,705

Operating income \$ 167,343

Net effect of changes in:

| | |
|--|------------------|
| Due to other government | 9,425 |
| Accounts receivable | 3,770 |
| Prepaid items | 1,596 |
| Accounts payable and accrued liabilities | <u>(168,651)</u> |

Net cash provided by operating activities \$ 13,483

See accompanying notes to financial statements

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Operations

ABAG Finance Authority for Nonprofit Corporations (FAN) was created pursuant to Chapter 5, Division 7, and Title 1 of the Government Code section 6500 of the State of California in 1990, to provide the means to meet the capital financing needs of public agencies and their nonprofit partners serving the public interest.

FAN is a joint powers authority comprising of California municipalities. FAN is governed by a board appointed by its members.

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.

Prior to July 2017, the Association of Bay Area Governments (ABAG) provided administrative support for FAN.

In July 2017, ABAG staff was consolidated into the Metropolitan Transportation Commission (MTC) and MTC staff will continue to provide administrative support to FAN in accordance with the ABAG-MTC Contract for Services. FAN paid MTC a total of \$640,765 for these services in the fiscal year ended June 30, 2019. On the *Statement of Revenues, Expenses, and Changes in Net Position*, this amount is reflected as salaries and benefits and a portion of overhead costs.

B. Basis of Presentation

FAN's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

FAN's basic financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. FAN accounts for all transactions in a single enterprise fund, which is a separate set of self-balancing accounts that comprise assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses. All transactions are accounted for on the accrual basis, which means that expenses are recorded when the liability is incurred and revenues are recorded when earned, rather than when cash changes hands.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

New Accounting Pronouncement

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses requirements regarding the retirement of certain tangible assets for all state and local governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. This standard did not have any impact on FAN's financial statements.

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the effect of this standard on FAN's financial statements.

GASB Statement No. 87, *Leases*, better meets the information needs of financial statement users by improving accounting and financial reporting, enhancing the comparability of financial statements between governments, and also enhancing the relevance, reliability, and consistency of information about the leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the effect of this standard on FAN's financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, provides additional essential information related to the debt disclosure in notes to financial statements. This statement clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. This standard did not have any impact on FAN's financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the effect of this standard on FAN's financial statements.

GASB Statement No. 90, *Majority Equity Interests*, provides guidance on how to improve reporting of Majority Equity Interests. This statement improves the consistency and comparability of reporting a government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the effect of this standard on FAN's financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, provides single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligations; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is currently evaluating the effect of this standard on FAN's financial statements.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

D. Cash and Investments

FAN has assigned its management of cash and investments to MTC under the contract for services and adopted MTC's investment policy. Accordingly MTC, on behalf of FAN invests its available cash under the prudent investor rule. The prudent investor rule states, in essence, that "in investing ... property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs." This policy affords FAN a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq.

Investments allowed under MTC's investment policy adopted by FAN include the following:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit issued by a nationally or state chartered bank
- Authorized pooled investment programs
- Commercial paper – Rated "A1" or "P1"
- Corporate notes – Rated "A" or better
- Municipal bonds
- Mutual funds – Rated "AAA"
- Other investment types authorized by state law and not prohibited in MTC's investment policy.

FAN applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, as amended (including by GASB Statement No. 72, *Fair Value Measurement and Application*), which generally requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain or loss. Investments are stated at fair value based upon quoted market prices. FAN reports its money market securities and short term investments at amortized cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments are not significantly affected by the credit standing of the issuer or other factors. Net increases or decreases in the fair value of investments are shown in the Statement of Revenues, Expenses and Changes in Net Position.

FAN considers all balances in demand deposit accounts to be cash, and classifies all other highly liquid cash equivalents as short-term investments. Highly liquid cash equivalents are short-term investment that meet the following definitions:

- Readily convertible to known amounts of cash.
- So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

E. Prepaid Items

Certain payments to vendors applicable to future accounting periods are recorded as prepaid items based on the consumption method.

F. Due to Other Governments

The due to other government consists of the amount due to MTC for services provided in fiscal year 2019.

G. Operating and Nonoperating Revenues and Expenses

Operating revenues are those necessary for principal operations of the entity. Operating expenses are those related to service activities. Nonoperating revenues and expenses are all other revenues and expenses not related to service activities.

H. Revenue Recognition

Revenue is comprised of application fees, closing fees, housing monitoring fees, interest, and annual administration fees earned by assisting other governments to issue conduit debts on behalf of eligible borrowers. Application and closing fees are recognized in the period in which the related financing package is completed. Monitoring and administration fees are recognized as the service is provided.

I. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of amount due to vendors at the end of fiscal year.

J. Contribution to Association of Bay Area Governments (ABAG)

On May 3, 2018 ABAG FAN Executive Committee approved \$350,000 contribution to Association of Bay Area Governments (ABAG) in fiscal year 2018-19 operating budget.

K. Use of Estimates

FAN's management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles in the United States of America. Actual results could differ from those estimates.

2. NET POSITION

Net position represents residual interest in assets after liabilities are deducted.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

3. CASH AND INVESTMENTS

- A.** A summary of Cash and Investments as shown on the Statement of Net Position at June 30, 2019 is as follows:

| | |
|----------------------------|---------------------|
| Cash | \$ 259,705 |
| Investments | \$ 3,867,994 |
| Total Cash and Investments | <u>\$ 4,127,699</u> |

- B.** The composition of cash and investments at June 30, 2019 is as follows:

Cash

| | |
|---------------|-------------------|
| Cash at banks | \$ 259,705 |
| Total Cash | <u>\$ 259,705</u> |

Investments

GASB Statement No. 72 sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

The following is a description of the valuation methodologies used for assets measured at fair value at June 30, 2019:

Local Agency Investment Fund: The position in the California State Local Agency Investment Fund is determined by the fair value of the pool's underlying portfolio.

CalTRUST Medium-Term Fund: The position in the CalTRUST Medium-Term Fund is determined by the fair value of the fund's underlying portfolio.

The following table set forth by level, within the fair value hierarchy, FAN's investments at fair value.

| Investments by fair value level at June 30, 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|---------------------|----------------|---------------------|
| Mutual Funds | | | | |
| CalTRUST Medium-Term Fund | \$ - | \$ 1,073,116 | \$ - | \$ 1,073,116 |
| Government Pool Investments: | | | | |
| Local Agency Investment Fund* | \$ - | \$ 2,794,878 | \$ - | \$ 2,794,878 |
| Total investments measured at fair value | <u>\$ -</u> | <u>\$ 3,867,994</u> | <u>\$ -</u> | <u>\$ 3,867,994</u> |

*LAIF is a program created by state statute as an investment alternative for California's local governments and special districts. LAIF funds are available for immediate withdrawal.

C. Deposit and Investment Risk Factors

There are many factors that can affect the value of deposits and investments such as credit risk, custodial credit risk, concentration of credit risk and interest rate risk.

i.) Credit Risk

Generally, credit risk is the risk that an issuer of an investment fails to fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. CalTRUST is rated "AA-" by Standard and Poor's and LAIF is unrated.

ii.) Custodial Credit Risk

Custodial credit risk is the risk that securities held by the custodian and in the custodian's name may be lost and not be recovered.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, FAN may not be able to recover its deposits that are in the possession of an outside party. All checking accounts are insured by the Federal Depository Insurance Corporation (FDIC) up to the limit of \$250,000.

Under California Government Code Sections 53651 and 53652, depending on specific types of eligible securities, a bank must deposit eligible securities to be posted as collateral with its agent with the securities having a fair value of 110% to 150% of FAN's cash on deposit.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

iii.) Concentration of Credit Risk

Concentration of credit risk is the risk associated with lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory or credit developments. Investments in issuers that represent 5 percent or more of total cash and investments at June 30, 2019 are as follows:

| | <u>2019</u> |
|------------------------------|-------------|
| Mutual Funds | |
| CalTRUST Medium-Term Fund | 26% |
| Government Pool Investments: | |
| Local Agency Investment Fund | 68% |

iv.) Interest Rate Risk

Interest rate risk is the potential adverse effect resulting from changes in market interest rates on the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The weighted average maturity of the investments in the LAIF investment pool and CalTRUST Medium-Term is 0.47 years and 2.16 years respectively.

4. CONDUIT FINANCING PROGRAMS FOR ELIGIBLE ORGANIZATIONS

FAN is a conduit finance issuer. Debt obligations issued through FAN are those of the governments, non-profit organizations and private companies who utilize FAN's governmental status to access the tax-exempt and taxable municipal bond market. Debt service on these issuances are the obligations of the related borrowers. FAN, as a conduit issuer, is only obligated to make debt service payments on the bonds or loans to the extent it receives funds for that purpose from the conduit borrower, thus FAN has no ongoing debt servicing responsibility and does not record the outstanding debt liability on FAN books.

FAN has issued bonds for various borrowers. They include but not limited to developers creating new neighborhoods (Community Facilities and Assessment Districts), private primary and secondary schools and private higher education (Education), hospitals and/or healthcare systems (Health Care), multifamily rental housing (Housing), cultural institutions, charitable organizations and other for-profit businesses involved in certain public benefit projects (Others).

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2019
Notes to the Financial Statements

A summary of outstanding balances for Conduit Financing Programs as of June 30, 2019 is as follows:

| <u>Business Type Activities by Sectors</u> | <u>Ending Balance June 30, 2019</u> |
|--|---|
| Community Facilities District (CFDs) | \$ 101,740,000 |
| Education | \$ 135,568,173 |
| Health Care | \$ 975,557,221 |
| Housing | \$ 433,901,149 |
| Others | \$ 121,357,648 |
| Net conduit financing programs as of June 30, 2019 | <u>\$ 1,768,124,191</u> |

5. COMMITMENTS AND CONTINGENCIES

No commitments and contingencies.

6. SUBSEQUENT EVENTS

FAN has evaluated subsequent events for the period from June 30, 2019 through November 7, 2019. On April 4, 2019, FAN Executive Committee approved a contribution up to \$1 million to ABAG to retire its remaining OPEB costs. On July 5, 2019, FAN made a contribution of \$987,853 to ABAG to pay off its fiscal year 2019 net OPEB liability.

OTHER SUPPLEMENTARY INFORMATION

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (CFDs)
As of June 30, 2019

Community Facilities and Assessment Districts (CFDs)

The Mello-Roos Community Facilities Act of 1982 enables ABAG Finance Authority for Non Profit Corporation to establish a Mello-Roos Community Facilities Districts (CFD) which enables issuance of tax-exempt and taxable bonds to finance public improvements and services. The services and improvements include streets, sewer systems and other basic infrastructures. Debt services on the bonds are funded by parcel taxes that are levied on the properties.

| Transactions | Original Issued Date | Final Maturity | Original Issuance | Balance at 6/30/19 |
|---|-------------------------|-------------------|----------------------|-----------------------|
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2004-1 (SEISMIC SAFETY IMPROVEMENTS - 690 AND 942 MARKET STREET PROJECT) SPECIAL TAX BONDS, SERIES 2007A (TAXABLE) ^{(1) (2)} | 10/31/2007 | 9/1/2038 | 11,000,000 | - |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2004-1 (SEISMIC SAFETY IMPROVEMENTS - 690 AND 942 MARKET STREET PROJECT) SPECIAL TAX BONDS, 2018 SPECIAL TAX REFUNDING BONDS ⁽²⁾ | 8/30/2018 | 9/1/2038 | 9,795,000 | 9,795,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SAN FRANCISCO MINT PLAZA AREA) SPECIAL TAX BONDS, SERIES 2007A ⁽³⁾ | 11/1/2007 | 9/1/2037 | 3,270,000 | 2,965,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SAN FRANCISCO RINCON HILL) SPECIAL TAX BONDS, SERIES 2006A ⁽⁴⁾ | 6/8/2006 | 9/1/2036 | 5,825,000 | 5,225,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS REFUNDING REVENUE BONDS, SUBORDINATE SERIES 2017-A (WINDEMERE RANCH INFRASTRUCTURE FINANCING PROGRAM). TAXABLE REFUNDING REVENUE BONDS, SUBORDINATE SERIES 2017-B (WINDEMERE RANCH INFRASTRUCTURE FINANCING PROGRAM) ⁽⁵⁾ | 6/29/2017 | 9/2/2034 | 59,885,000 | 56,870,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS REFUNDING REVENUE BONDS, SENIOR SERIES 2014-A (WINDEMERE RANCH INFRASTRUCTURE FINANCING PROGRAM) ⁽⁶⁾ | 8/28/2014 | 9/2/2034 | 31,805,000 | 26,885,000 |
| Total 6 Transactions | | | 121,580,000 | 101,740,000 |

⁽¹⁾ 690 & 942 Market Street Project Series 2007A was refunded in August 2018. The bonds were originally issued to finance the seismic safety and improvements of the building to convert it from office space to residential use.

⁽²⁾ 690 & 942 Market Street Project Series 2018 Refunding bonds were issued on 8/31/2018 to refund the 690/942 Market Street Series 2007 A Bonds.

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (CFDs)
As of June 30, 2019

⁽³⁾ San Francisco Mint Plaza Series 2007A was issued on 11/01/2007. The bonds were issued to finance improvements associated with the cosmetic enhancement of two alleys known as Mint Plaza.

⁽⁴⁾ San Francisco Rincon Hill Series 2006A was issued on 06/08/2006. The bonds were issued to finance the infrastructure and construction of residential building.

⁽⁵⁾ Windemere Ranch Series 2017 A and B were issued on 08/28/2014. The bonds were issued to fund infrastructure improvements as part of the development of residential housing in the district.

⁽⁶⁾ Windemere Ranch Series 2014A was issued on 08/28/2014. The bonds were issued to fund infrastructure improvements as part of the development of residential housing in the district.

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Education)
As of June 30, 2019

Education

ABAG Finance Authority for Non Profit Corporations (Authority) provides access to tax-exempt bond financings for eligible 501(C)(3) nonprofit organizations. Borrowers can typically enjoy lower interest costs compared to conventional financings. Interests paid are generally exempt from federal income tax.

| Transactions | Original Issued Date | Final Maturity | Original Issuance | Balance at 6/30/19 |
|---|---------------------------------|---------------------------|------------------------------|-------------------------------|
| Berkeley Montessori School 2013 | 6/27/2013 | 1/1/2041 | 7,150,000 | 5,191,000 |
| Crean Lutheran High School | 10/4/2016 | 10/1/2046 | 40,000,000 | - |
| Drew School Series 2014 | 6/20/2014 | 8/1/2034 | 12,325,000 | 8,379,068 |
| Drew School Series 2015 | 6/20/2014 | 8/1/2034 | 2,160,000 | 1,852,000 |
| Ecole Bilingue | 4/25/2012 | 5/1/2037 | 11,350,000 | 9,942,275 |
| Grauer Foundation for Education | 1/19/2006 | 1/1/2031 | 4,000,000 | 2,080,000 |
| Harker School 2013 (Remarketed from 1998) | 1/1/1998 | 1/1/2023 | 18,230,000 | 4,425,000 |
| Harker School 2013 (Remarketed from 2007) | 8/1/2007 | 1/1/2037 | 20,000,000 | 10,954,000 |
| La Jolla Country Day School 2010 | 10/14/2010 | 9/1/2036 | 30,000,000 | 26,455,598 |
| Oakland School of Arts | 12/9/2004 | 12/9/2020 | 1,000,000 | 1,000,000 |
| Pacific Primary School 2013 | 12/19/2013 | 12/1/2043 | 4,100,000 | 3,661,651 |
| Park Day School | 4/10/2014 | 4/1/2044 | 9,000,000 | 8,058,998 |
| San Francisco Friends School 2012 | 12/17/2012 | 1/1/2043 | 27,325,000 | 22,845,655 |
| San Francisco University High School 2005 | 5/11/2006 | 4/1/2036 | 8,315,000 | 2,350,000 |
| San Francisco University High School 2006 | 5/11/2006 | 4/1/2036 | 7,170,000 | 5,245,000 |
| Santa Cruz Montessori School | 7/2/2013 | 7/1/2043 | 5,660,000 | 4,900,526 |
| St. Helena Montessori School | 7/30/2014 | 8/1/2044 | 6,000,000 | 4,786,818 |
| St. Paul's Day School of Oakland | 3/14/2013 | 2/1/2043 | 8,000,000 | 7,030,584 |
| Valley Montessori School 2012 | 9/21/2012 | 10/1/2042 | 7,180,000 | 6,410,000 |
| Total 19 Transactions | | | 228,965,000 | 135,568,173 |

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Health Care)
As of June 30, 2019

Health Care

ABAG Finance Authority for Non Profit Corporations (Authority) provides access to tax-exempt bond financings for eligible 501(C) (3) nonprofit organizations. Borrowers can typically enjoy lower interest costs compared to conventional financings. Interests paid are generally exempt from federal income tax.

| Transactions | Original Issued Date | Final Maturity | Original Issuance | Balance at 6/30/19 |
|---|-------------------------|----------------|----------------------|-----------------------|
| Acacia Creek at Union City, Series 2013 A | 10/29/2013 | 7/1/2038 | 99,423,319 | 90,435,132 |
| Air Force Village West, Inc. ⁽¹⁾ | 4/8/2005 | 5/15/2035 | 23,000,000 | 18,020,000 |
| Casa de las Campanas, Inc. | 1/28/2010 | 9/1/2037 | 54,310,000 | 44,680,000 |
| Episcopal Senior Communities 2011 (Changed name to Covia Communities) | 10/27/2011 | 7/1/2041 | 62,200,000 | 55,415,000 |
| Episcopal Senior Communities 2012A & B (Changed name to Covia Communities) | 12/20/2012 | 7/1/2041 | 88,705,000 | 79,245,000 |
| Eskaton Properties Inc. 2013 | 6/6/2013 | 11/15/2035 | 51,875,000 | 44,105,000 |
| Eskaton Properties Series 2008 (Remarketed to 2013) | 4/10/2008 | 5/15/2029 | 23,500,000 | 12,125,000 |
| Eskaton Village - Roseville 2012 (Remarketed from Insured Nonprofit Program Financing #1: The Asian Americans for Community et al | 12/14/2006 | 12/1/2037 | 22,000,000 | 16,595,000 |
| Insured Nonprofit Program Financing #2: Big Valley Medical Services et al | 10/28/1992 | 10/1/2022 | 5,800,000 | 270,000 |
| Insured Nonprofit Program Financing #3: Comprehensive Drug and Alcohol Abuse et al (2) | 3/24/1993 | 3/1/2023 | 3,190,000 | 220,000 |
| La Clinica de La Raza | 11/1/1993 | 11/1/2023 | 4,545,000 | - |
| NorthBay Healthcare Group 2013 | 12/30/2010 | 12/1/2030 | 3,855,000 | 2,665,000 |
| O'Connor Woods | 9/1/2013 | 9/26/2029 | 2,163,521 | 1,141,909 |
| Odd Fellows Home of California 2012 A | 6/12/2013 | 1/1/2043 | 49,115,000 | 44,270,000 |
| Odd Fellows Home of California 2016 A & B | 10/25/2012 | 4/1/2042 | 98,550,000 | 79,600,000 |
| On Lok Senior Health Services, Series 2014 | 7/27/2016 | 8/1/2031 | 71,429,000 | 58,765,180 |
| Pathways Home Health & Hospice | 7/31/2014 | 8/1/2044 | 25,530,000 | 23,590,000 |
| Sharp HealthCare Series 2009 A | 10/19/2004 | 10/1/2034 | 6,070,000 | 4,350,000 |
| Sharp HealthCare Series 2009 C & D | 2/12/2009 | 8/1/2024 | 60,000,000 | 25,720,000 |
| Sharp HealthCare Series 2010 A | 9/2/2009 | 8/1/2035 | 99,880,000 | 99,880,000 |
| Sharp HealthCare Series 2011 A | 12/16/2010 | 12/1/2035 | 30,000,000 | 22,450,000 |
| Sharp HealthCare Series 2012 A | 2/10/2011 | 8/1/2030 | 77,710,000 | 54,895,000 |
| Sharp HealthCare Series 2014 A | 1/24/2012 | 8/1/2028 | 46,665,000 | 42,935,000 |
| St. Rose Hospital | 2/12/2014 | 8/1/2043 | 159,485,000 | 154,185,000 |
| | 5/28/2009 | 5/15/2029 | 42,100,000 | |
| Total 25 Transactions | | | 1,211,100,840 | 975,557,221 |

⁽¹⁾ In April 2005, ABAG Finance Authority for Non Profit Corporations (Authority) participated in the issuance of \$23,000,000 variable rate demand revenue bonds on behalf of Air Force Village West, Inc. (Borrower). On March 1, 2017, the Borrower suspended debt service payments. The non-payments triggered an event of default on the Bonds. The Bonds subsequently became bank bonds and held by the Letter of Credit Provider. As of June 30, 2019, the credit facility is in the process of being liquidated pursuant to the bankruptcy case. Once it is sold and the sale proceeds distributed, we anticipate receiving instructions from the Letter of Credit Bank to cancel all of the outstanding Bonds.

⁽²⁾ This bond issue was fully redeemed on July 2, 2018.

ABAG Finance Authority for Nonprofit Corporations

Summary of Conduit Financings (Housing)

As of June 30, 2019

Housing

For-profit and nonprofit developers can access tax-exempt bonds for the financing of low-income multifamily and senior housing projects. The Bonds may be used to finance or refinance the acquisition and rehabilitation of an existing project or for the construction of a new project, provided the developer agrees to set aside all, or a portion, of the units in a project for individuals and families of very low, low, or moderate income.

| Transactions | Original Issued Date | Final Maturity | Original Issuance | Balance at 6/30/19 |
|---|-------------------------|-------------------|----------------------|-----------------------|
| Acton Courtyard Apartments Project | 3/1/2010 | 4/1/2037 | 9,920,000 | 9,920,000 |
| Are Light Co (1) | 8/13/2010 | 3/20/2052 | 32,462,900 | - |
| ARTech Apartments Refunding | 3/1/2010 | 5/1/2029 | 3,200,000 | 3,200,000 |
| Belovida Santa Clara Apartments | 8/8/2008 | 8/1/2040 | 5,526,000 | 695,000 |
| Berkeleyan Project | 5/29/2003 | 5/15/2033 | 8,290,000 | 8,190,000 |
| Bryte Gardens Apartments Project, Series 2002 (1) | 4/30/2002 | 3/1/2039 | 5,358,800 | - |
| Citrus Commons (Divine Senior) Apartments | 8/23/2005 | 8/1/2035 | 3,720,000 | 639,960 |
| Darling Florist Building Apartment (Touriel) | 12/12/2002 | 7/15/2035 | 6,210,000 | 4,950,000 |
| Fair Plaza Senior Apartments | 4/10/2008 | 4/1/2038 | 3,700,000 | 3,235,000 |
| Fine Arts Building Apartments | 12/12/2002 | 7/15/2035 | 18,000,000 | 15,815,000 |
| Gaia Building | 7/26/2000 | 9/15/2032 | 15,365,000 | 14,330,000 |
| Hampton Place Apartments (Gateway Village) | 8/24/2001 | 4/1/2028 | 4,840,000 | 722,000 |
| Hayward Senior Apartments | 4/8/2005 | 3/1/2022 | 15,000,000 | 11,697,842 |
| Heritage Park Apartments | 6/28/2007 | 6/1/2042 | 6,400,000 | 4,041,925 |
| Heritage Plaza Apartments (1) | 10/3/2002 | 10/1/2032 | 4,500,000 | - |
| Kings Garden Apartments | 7/28/2006 | 2/1/2038 | 6,701,500 | 4,761,143 |
| La Terrazza Apartments (FKA Colma Bart Family Apts) | 10/4/2011 | 11/15/2035 | 25,175,000 | 25,175,000 |
| Lakeside Village Apartments | 10/28/2011 | 10/1/2046 | 91,000,000 | 91,000,000 |
| Lincoln Court Senior Apartments | 8/26/2004 | 3/1/2036 | 9,500,000 | 755,542 |
| Mountain View (Shorebreeze) Apartments (1) | 7/25/1997 | 8/1/2027 | 6,700,000 | - |
| Oak Park Apartments | 10/4/2002 | 2/1/2030 | 4,450,000 | 469,791 |
| Orchard Glen Apartments | 1/13/2006 | 3/1/2039 | 30,600,000 | 1,974,272 |
| Palo Alto Gardens Apartments | 4/22/1999 | 4/1/2039 | 11,435,000 | 8,725,000 |
| Potrero Launch Apartments (2009A & 2010B) | 12/10/2010 | 1/1/2044 | 57,585,000 | 54,040,000 |
| Presidio El Camino Apartments | 9/15/2011 | 3/1/2044 | 7,700,000 | 1,979,990 |
| Reardon Heights Apartments 2008 | 6/2/2008 | 5/15/2038 | 4,500,000 | 4,500,000 |
| Rivers Senior Apartments | 3/20/2007 | 4/1/2040 | 8,585,000 | 5,080,230 |
| Sage Canyon Apartments | 10/20/2005 | 10/1/2038 | 12,500,000 | 1,191,234 |
| Shiraz Senior Apartments | 11/15/2001 | 7/1/2033 | 4,080,000 | 3,019,747 |
| Spring Villa Apartments | 6/27/2006 | 6/1/2038 | 12,533,000 | 10,158,602 |
| Tara Village Apartments | 11/30/2004 | 12/1/2035 | 13,000,000 | 9,609,251 |
| Terracina at Elk Grove | 9/30/2008 | 5/1/2041 | 7,600,000 | 4,338,059 |
| Terracina at Springlake Family Apartments | 9/14/2006 | 9/1/2038 | 17,000,000 | 7,633,832 |
| The Crossing Apartments (Changed name to: ASN Tanforan Crossing I, LLC) | 12/17/2002 | 12/15/2037 | 68,700,000 | 64,450,000 |
| Tracy Garden Village Apartments | 12/20/2007 | 9/1/2049 | 5,000,000 | 3,244,949 |
| Tracy Village Apartments | 6/10/2005 | 6/1/2032 | 3,701,300 | 2,443,647 |
| Unity Estates Apartments | 4/8/2005 | 4/1/2036 | 4,000,000 | 2,583,319 |
| Villa Serena Apartments | 4/28/1998 | 4/1/2030 | 11,000,000 | 6,221,000 |
| Vintage Laguna II City of Elk Grove | 9/16/2011 | 1/1/2044 | 7,250,000 | 2,980,000 |
| Vintage at Laguna Apartments | 12/19/2003 | 12/1/2035 | 9,800,000 | 7,476,424 |
| Vintage Chateau II | 7/8/2011 | 1/1/2044 | 8,100,000 | 5,340,000 |
| Vintage Oaks Senior Apartments | 12/23/2009 | 1/1/2040 | 15,520,000 | 12,970,000 |
| Vintage Square at Westpark Senior Apartments | 6/27/2008 | 6/1/2040 | 13,500,000 | 7,553,317 |
| Wildhorse Family Apartments | 6/3/1999 | 6/1/2031 | 5,230,000 | 3,244,000 |
| Yuba Garden Apartments | 9/1/2005 | 2/1/2045 | 4,800,000 | 3,546,073 |
| Total 45 Transactions | | | 629,738,500 | 433,901,149 |

(1) Bond issue fully paid off

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Others)
As of June 30, 2019

Others

ABAG Finance Authority for Non Profit Corporations (Authority) provides access to tax-exempt bond financings for eligible 501(c) (3) nonprofit organizations. Borrowers can typically enjoy lower interest costs compared to conventional financings. Interests paid are generally exempt from federal income tax.

| Borrowers | Original Issued Date | Final Maturity | Original Issuance | Balance at 6/30/19 |
|--|---------------------------------|-----------------------|------------------------------|-------------------------------|
| California Alumni Association Project | 12/21/2004 | 4/1/2034 | 8,300,000 | 5,925,000 |
| Computer History Museum | 12/22/2010 | 10/1/2032 | 7,000,000 | 7,000,000 |
| Ecology Action | 12/16/2010 | 12/11/2030 | 3,000,000 | 2,140,000 |
| Institute for Defense Analyses Refunding (1) | 12/2/2015 | 10/1/2035 | 11,945,000 | - |
| Institute for Defense Analyses Reissuance (1) | 6/10/2019 | 10/1/2035 | 10,750,000 | 10,750,000 |
| Jackson Laboratory 2012 | 10/24/2012 | 7/1/2037 | 60,290,000 | 52,080,000 |
| Kingsbury IDB | 4/8/2014 | 4/1/2025 | 3,400,000 | 2,040,000 |
| Morgan Autism Center | 5/31/2016 | 1/29/2040 | 9,750,000 | 8,732,648 |
| Public Policy Institute of California - Series 2001A | 11/15/2001 | 11/1/2031 | 13,065,000 | 12,705,000 |
| Public Policy Institute of California - Series 2001B | 11/15/2001 | 11/1/2031 | 20,435,000 | 19,985,000 |
| United Cerebral Palsy of the North Bay (2) | 2/11/2014 | 2/1/2039 | 5,110,000 | - |
| Total 11 Transactions | | | 153,045,000 | 121,357,648 |

- (1) Institute for Defense Analysis Refunding bond was reissued on June 10, 2019 due to maturity date extension. Reissuance for federal tax purpose only.
(2) Bond issue fully paid off.