



Advancing California
Finance Authority

375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Agenda - Final

ABAG ACFA Governing Board

*Chair, Karen Mitchoff, Supervisor, County of Contra Costa
Vice Chair, Jesse Arreguin, Mayor, City of Berkeley*

Thursday, November 19, 2020

6:00 PM

Board Room - 1st Floor (REMOTE)

Advancing California Finance Authority Governing Board

The ACFA Governing Board will be meeting on November 19, 2020, 6:00 p.m., or immediately after the preceding ABAG committee meeting, in the Bay Area Metro Center (Remotely). In light of Governor Newsom's State of Emergency declaration regarding the COVID-19 outbreak and in accordance with Executive Order N-29-20 issued by Governor Newsom on March 17, 2020 and the Guidance for Gatherings issued by the California Department of Public Health, the meeting will be conducted via webcast, teleconference, and Zoom for committee, commission, or board members who will participate in the meeting from individual remote locations.

A Zoom panelist link for meeting participants will be sent separately to committee, commission, or board members.

The meeting webcast will be available at: <https://abag.ca.gov/meetings-events/live-webcasts>

Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Please click the link below to join the webinar:

<https://bayareametro.zoom.us/j/89467804143>

Or iPhone one-tap :

US: +16699006833,,89467804143# or +14086380968,,89467804143#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or +1 408 638 0968 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 646 876 9923 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 894 6780 4143

Detailed instructions on participating via Zoom are available at:

<https://abag.ca.gov/zoom-information>

Committee members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial "*9".

In order to get the full Zoom experience, please make sure your application is up to date.

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

The ACFA Governing Board may act on any item on the agenda.
The meeting is scheduled to begin at 6:00 p.m.,
or immediately following the preceding ABAG committee meeting.
Agenda, roster, and webcast available at <http://abag.ca.gov>
For information, contact Clerk of the Board at (415) 820-7913.

Roster

Karen Mitchoff, Supervisor, County of Contra Costa—Chair
Jesse Arreguin, Mayor, City of Berkeley—Vice Chair
Cindy Chavez, Supervisor, County of Santa Clara
Julie Pierce, Mayor, City of Clayton
Belia Ramos, Supervisor, County of Napa

1. Call to Order / Roll Call / Confirm Quorum

2. Public Comment

Information

3. Governing Board Announcements

Information

4. Governing Board Chair's Report

4.a. [20-1547](#) ACFA Governing Board Chair's Report for November 19, 2020

Action: Information

Presenter: Karen Mitchoff

5. Executive Director's Report

5.a. [20-1548](#) Executive Director's Report for November 19, 2020

Action: Information

Presenter: Therese W. McMillan

6. Consent Calendar

6.a. [20-1549](#) Approval of ACFA Governing Board Minutes of September 17, 2020

Action: Approval

Presenter: Secretary

Attachments: [Item 06a Minutes 20200917 Draft.pdf](#)

7. ABAG Finance Authority for Nonprofit Corporations

- 7.a. [20-1550](#) Report on ABAG Finance Authority for Nonprofit Corporations Financial Statements from July to August 2020 (Unaudited)

Action: Approval

Presenter: Brian Mayhew

Attachments: [Item 07a 1 Summary Sheet Aug Financial Statements.pdf](#)
[Item 07a 2 Attachment Budget to Actual with Enc Attachment.pdf](#)

- 7.b. [20-1582](#) Report on ABAG Finance Authority for Nonprofit Corporations Contracts and Purchase Requisitions between \$20,000 and \$50,000 from July 2020 to August 2020

Action: Approval

Presenter: Brian Mayhew

Attachments: [Item 07b Summary Sheet Contracts Between 20K and 50K.pdf](#)

8. Financial Audit

- 8.a. [20-1570](#) Report on the Fiscal Year (FY) 2019-20 ABAG Finance Authority for Nonprofit Corporations (FAN) Audit Results and Required Communications and the FY 2019-20 ABAG FAN Financial Audit

Action: Accept

Presenter: Kathy Lai, Lead Engagement Partner with Crowe, LLP, and Brian Mayhew

Attachments: [Item 08a Summary Sheet ABAG FAN Financial Audit FY 2019 2020.pdf](#)
[8a_20_1570_1_ABAG FAN - Audit Results and Required Communications.pdf](#)
[8a_20_1570_2_FY 2019-20 ABAG FAN Mangement Letter with Managment R](#)
[8a_20_1570_5_FY 2019-20 ABAG Finance Authority for Nonprofit Corporations](#)

9. Adjournment / Next Meeting

The next ACFA Governing Board meeting will be announced.

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.



Advancing California
Finance Authority

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-1547 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 10/16/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: ACFA Governing Board Chair's Report for November 19, 2020

Sponsors:

Indexes:

Code sections:

Attachments:

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

ACFA Governing Board Chair's Report for November 19, 2020

Karen Mitchoff

Information



Legislation Details (With Text)

File #: 20-1548 **Version:** 1 **Name:**

Type: Report **Status:** Informational

File created: 10/16/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: Executive Director's Report for November 19, 2020

Sponsors:

Indexes:

Code sections:

Attachments:

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

Executive Director's Report for November 19, 2020

Therese W. McMillan

Information



Legislation Details (With Text)

File #: 20-1549 **Version:** 1 **Name:**

Type: Minutes **Status:** Committee Approval

File created: 10/16/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: Approval of ACFA Governing Board Minutes of September 17, 2020

Sponsors:

Indexes:

Code sections:

Attachments: [Item 06a Minutes 20200917 Draft.pdf](#)

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

Approval of ACFA Governing Board Minutes of September 17, 2020

Secretary

Approval



375 Beale Street
Suite 700
San Francisco, California
94105

Meeting Minutes - Draft

ABAG ACFA Governing Board

Chair, Karen Mitchoff, Supervisor, County of Contra Costa
Vice Chair, Jesse Arreguin, Mayor, City of Berkeley

Thursday, September 17, 2020

5:10 PM

Remote

Advancing California Finance Authority Governing Board

The ACFA Governing Board may act on any item on the agenda.
The meeting is scheduled to begin at 5:10 p.m.,
or immediately following the preceding ABAG committee meeting.
Agenda, roster, and webcast available at <http://abag.ca.gov>
For information, contact Clerk of the Board at (415) 820-7913.

Roster

Karen Mitchoff, Supervisor, County of Contra Costa—Chair
Jesse Arreguin, Mayor, City of Berkeley—Vice Chair
Cindy Chavez, Supervisor, County of Santa Clara
Julie Pierce, Mayor, City of Clayton
Belia Ramos, Supervisor, County of Napa

1. Call to Order / Roll Call / Confirm Quorum

Chair Mitchoff called the meeting to order at about 5:47 p.m. Quorum was present.

Present: 5 - Arreguin, Chavez, Mitchoff, Pierce, and Ramos

2. Public Comment

There was no public comment.

3. Governing Board Announcements

There were no Governing Board member announcements.

4. Governing Board Chair's Report

There was no Chair's report.

5. Executive Director's Report

There was no Executive Director's report.

6. Consent Calendar

Upon the motion by Pierce and second by Ramos, the Consent Calendar was approved. The motion passed unanimously by the following vote:

Aye: 4 - Chavez, Mitchoff, Pierce, and Ramos

Absent: 1 - Arreguin

- 6.a. [20-1271](#) Approval of ACFA Governing Board Minutes of May 21, 2020

7. ABAG Finance Authority for Nonprofit Corporations

- 7.a. [20-1270](#) Report on ABAG FAN Financial Statements as of June 30, 2020 (Unaudited)

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

Upon the motion by Ramos and second by Pierce, the report on ABAG Finance Authority for Nonprofit Corporation financial statements as of June 30, 2020 (unaudited) was approved. The motion passed unanimously by the following vote:

Aye: 5 - Arreguin, Chavez, Mitchoff, Pierce, and Ramos

8. Adjournment / Next Meeting

Chair Mitchoff adjourned the meeting at about 5:55 p.m. The next meeting of the ACFA Governing Board is on November 19, 2020.



Advancing California
Finance Authority

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-1550 **Version:** 1 **Name:**

Type: Report **Status:** Committee Approval

File created: 10/16/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: Report on ABAG Finance Authority for Nonprofit Corporations Financial Statements from July to August 2020 (Unaudited)

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07a 1 Summary Sheet Aug Financial Statements.pdf](#)
[Item 07a 2 Attachment Budget to Actual with Enc Attachment.pdf](#)

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

Report on ABAG Finance Authority for Nonprofit Corporations Financial Statements from July to August 2020 (Unaudited)

Brian Mayhew

Approval

Advancing California Finance Authority

Governing Board

November 19, 2020

Agenda Item 7.a.

ABAG Finance Authority for Nonprofit Corporations

Subject: Report on ABAG Finance Authority for Nonprofit Corporations Financial Statements from July to August 2020 (Unaudited)

Background: Attached for your information is the budget-to-actual report for ABAG FAN as of the end of August 2020.

The report is showing a deficit of \$61,439 at the end of this reporting period mainly due to incorrect charges to salary related expenses. The error will be corrected at a later month.

Total revenue of \$92,071 is 9% of the projected budget of the year. Revenue is expected to catch up during the year, as interest revenue and the CDF reimbursement revenue are recorded on a quarterly basis. In addition, many of the portfolios FAN manages have an issuance date later in the year which has an impact on when the administrative and project monitor fee revenues are billed.

Total expenses of \$153,510 is 16% of the projected budget before the payroll adjustment. Expense activities will pick up later when contract services are renewed during the year. The expense budget balance indicates that we have overspent by \$317,915 as of the end of August. The overspending issue is caused by prior year carryover contract encumbrance of \$1.1 million. The prior year encumbrance balance will be clear out once the FY20 financial audit is concluded.

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

Issues: None

Recommended Action: The ACFA Governing Board is requested to approve the staff report on ABAG Finance Authority for Nonprofit Corporations Financial Statements from July to August 2020 (Unaudited).

Attachments: ABAG FAN Financial Statements

Reviewed:



Therese W. McMillan

Budget to Actual by Fund

Ledger: GL
Report Date:08/30/2020
Fiscal Year: 2021

(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 | 15,000.00 | 0.00 | 0.00 | 15,000.00 |
| Interest Income - CalTrust | 4804 | 15,000.00 | 0.00 | 0.00 | 15,000.00 |
| Gain/Loss Revaluation Investmt | 4850 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gain/loss on Investments | 4855 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous | 4950 | 260,051.00 | 0.00 | 0.00 | 260,051.00 |
| Financial Services Revenue | 4953 | 50,000.00 | 10,000.00 | 0.00 | 40,000.00 |
| Administrative fees | 4956 | 390,208.00 | 40,445.90 | 0.00 | 349,762.10 |
| Project monitoring fees | 4957 | 205,608.00 | 41,625.00 | 0.00 | 163,983.00 |
| Transfers in | 8401 | 0.00 | 0.00 | 0.00 | 0.00 |

EXPENSE ACCOUNTS

| <u>Object Description</u> | <u>Object</u> | <u>Budget</u> | <u>Actual</u> | <u>Encumbrance</u> | <u>Balance</u> |
|----------------------------------|----------------------|----------------------|----------------------|---------------------------|-----------------------|
| Salaries | 5000 | 114,709.00 | 28,636.72 | 0.00 | 86,072.28 |
| Benefits | 5099 | 55,889.00 | 21,223.55 | 0.00 | 34,665.45 |
| Travel Expense | 5100 | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| Transit Tickets | 5101 | 0.00 | 0.00 | 0.00 | 0.00 |
| Conference/Trning Exps & Fees | 5130 | 10,000.00 | 0.00 | 0.00 | 10,000.00 |
| Advertising/Public Awareness | 5142 | 600.00 | 0.00 | 0.00 | 600.00 |
| Storage Rental | 5184 | 0.00 | 0.00 | 0.00 | 0.00 |
| Memberships | 5270 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subscriptions | 5280 | 0.00 | 0.00 | 0.00 | 0.00 |
| Consultant/Professional Fees | 5300 | 422,671.00 | 60,223.86 | 639,792.95 | -277,345.81 |
| Legal Fees | 5340 | 50,000.00 | 0.00 | 398,882.34 | -348,882.34 |
| Passthru/Contrib-Othr Agncies | 5600 | 0.00 | 0.00 | 0.00 | 0.00 |
| Commtee Member's Stipend | 5703 | 4,500.00 | 0.00 | 0.00 | 4,500.00 |
| Audit | 5717 | 125,000.00 | 13,892.00 | 42,160.00 | 68,948.00 |
| Bank Service Charges | 5750 | 18,750.00 | 1,029.30 | 0.00 | 17,720.70 |
| Miscellaneous | 5755 | 12,650.00 | -0.50 | 0.00 | 12,650.50 |
| Indirect Costs | 5763 | 96,661.00 | 28,505.15 | 0.00 | 68,155.85 |
| Transfers out | 8000 | 0.00 | 0.00 | 0.00 | 0.00 |
| Revenue: | | 935,867.00 | 92,070.90 | 0.00 | 843,796.10 |
| Expenses: | | 916,430.00 | 153,510.08 | 1,080,835.29 | -317,915.37 |
| Net: | | 19,437.00 | -61,439.18 | -1,080,835.29 | 1,161,711.47 |



Advancing California
Finance Authority

Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 20-1582 **Version:** 1 **Name:**

Type: Report **Status:** Committee Approval

File created: 10/20/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: Report on ABAG Finance Authority for Nonprofit Corporations Contracts and Purchase Requisitions between \$20,000 and \$50,000 from July 2020 to August 2020

Sponsors:

Indexes:

Code sections:

Attachments: [Item 07b Summary Sheet Contracts Between 20K and 50K.pdf](#)

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

Report on ABAG Finance Authority for Nonprofit Corporations Contracts and Purchase Requisitions between \$20,000 and \$50,000 from July 2020 to August 2020

Brian Mayhew

Approval

Advancing California Finance Authority

Governing Board

November 19, 2020

Agenda Item 7.b.

ABAG Finance Authority for Nonprofit Corporations

Subject: Report on ABAG Finance Authority for Nonprofit Corporations Contracts and Purchase Requisitions between \$20,000 and \$50,000 from July 2020 to August 2020

Background: The ACFA Governing Board has directed staff to report on contracts and purchase orders between \$20,000 and \$50,000 approved by the Executive Director.

From July to August 2020, FAN had the following contracts and purchase requisitions between \$20,000 and \$50,000:

Purchase Requisitions

None

Contracts

None

Issues: None

Recommended Action: The ACFA Governing Board is requested to approve the staff report on ABAG Finance Authority for Nonprofit Corporations Contracts and Purchase Requisitions between \$20,000 and \$50,000 from July 2020 to August 2020.

Attachments: None

Reviewed: 
Therese W. McMillan



Legislation Details (With Text)

File #: 20-1570 **Version:** 1 **Name:**

Type: Report **Status:** Committee Approval

File created: 10/19/2020 **In control:** ABAG ACFA Governing Board

On agenda: 11/19/2020 **Final action:**

Title: Report on the Fiscal Year (FY) 2019-20 ABAG Finance Authority for Nonprofit Corporations (FAN) Audit Results and Required Communications and the FY 2019-20 ABAG FAN Financial Audit

Sponsors:

Indexes:

Code sections:

Attachments: [Item 08a Summary Sheet ABAG FAN Financial Audit FY 2019 2020.pdf](#)
[8a. 20 1570 1 ABAG FAN - Audit Results and Required Communications.pdf](#)
[8a. 20 1570 2 FY 2019-20 ABAG FAN Mangement Letter with Management Responses - FINAL.pdf](#)
[8a 20 1570 5 FY 2019-20 ABAG Finance Authority for Nonprofit Corporations \(FAN\) Financial](#)

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

Report on the Fiscal Year (FY) 2019-20 ABAG Finance Authority for Nonprofit Corporations (FAN) Audit Results and Required Communications and the FY 2019-20 ABAG FAN Financial Audit

Kathy Lai, Lead Engagement Partner with Crowe, LLP, and Brian Mayhew

Accept

Advancing California Finance Authority

Governing Board

November 19, 2020

Agenda Item 8.a.

ABAG Finance Authority for Nonprofit Corporations

Subject: Report on the Fiscal Year (FY) 2019-20 ABAG Finance Authority for Nonprofit Corporations (FAN) Audit Results and Required Communications and the FY 2019-20 ABAG FAN Financial Audit

Background: Staff requests approval of the Financial Statements for the fiscal year ended June 30, 2020 for the ABAG FAN. The financials are prepared by MTC finance staff and are audited by Crowe, LLP. Crowe, LLP was selected to be the outside independent auditor by the Governing Board during FY 2019, and this is the first year of their five-year audit contract. In addition to approval of the Financial Statements, staff recommends reappointment of Crowe LLP, as the independent audit firm for FY 2021.

The attached Financial Statements for ABAG FAN represent the yearend financial picture for FY 2019-20. The report is broken down to the following sections:

- Independent Auditors Report which contains the audit opinion (p. 1).
- Basic Financial Statements for the fiscal year (p. 3)
- Notes to the Financial Statements containing information on the reporting entity and accounting practices utilized in the preparation of the report (p. 10)
- Other Supplementary Information (p.18)

The ACFA Governing Board accepted responsibility for the financial management of ABAG FAN during FY 2020 including responsibility for review and approval of the annual financial statements.

Financial Highlights

Overall, ABAG FAN had a successful year, particularly agreeing to transfer \$1 million from the operating reserve and allowing ABAG to retire the last of the outstanding OPEB liability.

- ABAG FAN had a slight operating loss of \$134,781 before transfer to ABAG caused by extraordinary legal fees required to facilitate the transition of administrative responsibility from the FAN Executive Committee to ACFA

Advancing California Finance Authority

Governing Board

November 19, 2020

Agenda Item 8.a.

ABAG Finance Authority for Nonprofit Corporations

- Cash dropped from \$4.1 million to \$3.1 million as a result of ABAG transfer
- Revenue was just under \$1.0 million and down nearly \$60,000 because there were no new deals and no closing fees
- The reserve remains above \$3.1 million which should be adequate to cover the fund as administration fees wind down

FY 2020 marked two important events for ABAG FAN, the transfer of administrative authority to ACFA as well as the \$1 million contribution to ABAG to help settle accumulated OPEB liabilities. Even with the transfer, staff believes ABAG FAN retains the financial resources to maintain a viable fund as the existing financing issues and associated administrative fees wind down.

Staff requests approval of the ABAG FAN Financial Statements for the year ended June 30, 2020 and the reappointment of Crowe, LLP as the independent auditor for FY 2020-21.

Issues:

None

Recommended Action:

The ACFA Governing Board is requested to approve the ABAG FAN Financial Statements for the year ended June 30, 2020 and the reappointment of Crowe, LLP as the independent auditor for FY 2020-21.

Attachments:

- A. ABAG FAN Audit Results and Required Communications
- B. ABAG FAN Management Letter with Management Responses
- C. ABAG FAN Financial Statements

Reviewed:



Therese W. McMillan



ABAG Finance Authority for Nonprofit Corporations

Audit Results and Required Communications

November 19, 2020



Dear Members of the ABAG Finance Authority for Nonprofit Corporations Governing Board,

We are pleased to present our report on the audit of ABAG Finance Authority for Nonprofit Corporations (“ABAG 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 letters 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

Agenda

1

Audit Objective

2

Audit Results

3

Required
Communications

Audit Objective

Audit Objective



The objective of the audit is to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.

We conducted our audit in accordance with generally accepted auditing standards.

Audit Results

Financial Statement Audit Reports



- Independent Auditor’s Report on the financial statements as of and for the year ending June 30, 2020

| Entity | Opinion |
|----------|------------|
| ABAG FAN | Unmodified |

Deficiency

Proper Coding of Vendor Invoices



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.
- Adoption of New Accounting Standards: Management adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*



Required Communications (continued)

- 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 (continued)

- 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 note that the uncorrected misstatements that were aggregated by us during the audit were determined by management to be immaterial, both individually and in the aggregate, to the financial statements. These are summarized as an attachment to management's representation letter.



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

kathy.lai@crowe.com

November 19, 2020

Management of the ABAG Finance Authority for Nonprofit Corporation
C/o Brian Mayhew, Chief Financial Officer
ABAG Finance Authority for Nonprofit Corporation
375 Beale Street, Suite 700
San Francisco, California 94105

Management of the ABAG Finance Authority for Nonprofit Corporation,

In planning and performing our audit of the financial statements of the ABAG Finance Authority for Nonprofit Corporation (“ABAG FAN”) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered ABAG FAN’s internal control over financial reporting (“internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ABAG FAN’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of ABAG FAN’s internal control. Matters communicated in this letter are classified as follows.

- Deficiency – A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.
- Significant deficiency – A deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
- Material weakness – A deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control that we are required to or wish to communicate to you.

This communication is intended solely for the information and use of the members of the Executive Committee of ABAG FAN, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

ABAG FAN’s written response to the deficiencies identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Crowe LLP

San Francisco, California
November 19, 2020

Cc: Therese McMillan, Executive Director

DRAFT

Proper Coding of Vendor Invoices

Classification:

Deficiency

Applicable Entities:

Bay Area Infrastructure Financing Authority (BAIFA) and ABAG Financing Authority for Nonprofit Corporations (ABAG FAN)

Observation:

MTC centrally performs the accounting and financial reporting for several entities, including BAIFA and ABAG FAN. Invoices processed should be reviewed for completeness and accuracy and recorded in the appropriate entity for which goods or services were provided. During our audit, we reviewed legal expenses and noted an invoice in the amount of \$62,000 that was related to ABAG FAN but was incorrectly charged to BAIFA.

Impact:

The vendor regularly performs work for both BAIFA and ABAG FAN and clearly documented the services performed were for the benefit of ABAG FAN. However, the reviewers of the invoice inadvertently miscoded the expense, as the vendor does perform other legal services for BAIFA. In a centralized accounting environment for several entities with vendors who likewise perform services across multiple departments, there is an increased risk of miscoding of expenses when detailed reviews are not performed on invoices provided.

Recommendation:

We recommend that management strengthen their internal controls over the review of invoices particular to vendors who perform multiple services benefiting more than one entity. The accuracy of such reviews has become increasingly important as MTC has taken on the administration, accounting and financial reporting for additional entities over time.

Management Response:

The management of the Association of Bay Area Governments (ABAG) Finance Authority for Nonprofit Corporations (FAN) concurs with the finding and recommendation. Management will add an additional layer of review on future invoices.

ABAG FAN
Finance Authority for Nonprofit Corporations

Financial Statements
For the Year Ended June 30, 2020

ABAG Finance Authority for Nonprofit Corporations

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the ABAG Finance Authority for Nonprofit Corporations ("FAN"), as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the FAN basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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, 2020, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the FAN's basic financial statements. The other supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary 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. Such 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, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

[REDACTED]

[REDACTED]

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2020
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 loss of \$134,781 before a contribution to Association of Bay Area Governments (ABAG).
2. In July 2019, FAN made a contribution of \$987,853 to ABAG (see Note 1.I and Note 7).
3. FAN's change in the net position was a decrease of \$1,065,776 in fiscal year 2020.
4. In April, 2020, FAN Executive Committee voted to transfer Administration of ABAG FAN to the Board of the Advance California Financing Authority (ACFA). ACFA Board of Directors accepted the transfer of responsibilities in May, 2020. Legal council is in the process of mailing out notices of the transfer to interested Parties. The Notice Period allows 90 days for Parties to object before the transaction is completed. The notice period is a formality and generally there are no objections. The transfer will be final following the completion of the notice period.

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* reports 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. The *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, 2020
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:

| | <u>2020</u> | <u>2019</u> |
|---------------------|---------------------|---------------------|
| Cash and investment | \$ 3,106,401 | \$ 4,127,699 |
| Receivables | 189,442 | 204,112 |
| Total assets | 3,295,843 | 4,331,811 |
| Current liabilities | 99,014 | 69,206 |
| Total liabilities | 99,014 | 69,206 |
| Net position | | |
| Unrestricted | 3,187,511 | 4,262,605 |
| Total net position | <u>\$ 3,196,829</u> | <u>\$ 4,262,605</u> |

Cash and investments decreased by \$1,021,298 in FY 2020. The decrease in cash was mainly due to a \$987,853 contribution to ABAG. The payment to ABAG also accounts for the net position decrease of \$1,065,776.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2020
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:

| | 2020 | 2019 |
|---|--------------|--------------|
| Operating revenues | | |
| Administration fees | \$ 618,963 | \$ 653,838 |
| Project monitoring fees | 217,817 | 305,585 |
| Closing fees | - | 129,450 |
| Other financial services revenues | 120,000 | 39,961 |
| Total operating revenues | 956,780 | 1,128,834 |
| Operating expenses | | |
| Contracted salaries and benefits | 408,975 | 419,430 |
| Professional fees | 439,770 | 297,312 |
| Other expenses | 242,816 | 244,749 |
| Total operating expenses | 1,091,561 | 961,491 |
| Operating income / (loss) | (134,781) | 167,343 |
| Nonoperating revenues and (expenses) | | |
| Interest income | 56,858 | 122,657 |
| Contribution to Association of Bay Area Governments | (987,853) | (350,000) |
| Total nonoperating revenues / (expenses) | (930,995) | (227,343) |
| Changes in net position | (1,065,776) | (60,000) |
| Net position - beginning | 4,262,605 | 4,322,605 |
| Net position - ending | \$ 3,196,829 | \$ 4,262,605 |

Total operating revenues decreased by \$172,054 in FY2020. The decrease in operating revenues was mainly due to the decrease in financing fees caused by the end of advance refunding.

Total operating expenses increased by \$130,070 in fiscal year 2020. The increase in operating expenses was necessary to cover the transition to a contract administration under MTC.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements as of June 30, 2020
Management's Discussion and Analysis (unaudited)

Interest income decreased by \$65,799 in FY 2020. The decrease was due to lower interest rate and asset balances. Nonoperating expenses increased by \$637,853 in FY 2020. The increase was due to the contribution to ABAG. (see Note 1.I and Note 7).

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.

E. Economic Factors

The San Francisco Bay Area economy entered a recession starting in April 2020. The April recession ended the longest running economic expansion since the post WWII era. Immediate impacts include:

- Sales tax revenue that had grown for nine straight years fell 5 percent for FY 2020.
- Unemployment which was close to 3.5 percent in January, 2020 increased to about 10 percent by June, 2020.
- The impact of shelter-in-place orders on commercial values is not known at this time.

There are some indications that the worst of the recession may be behind us. The growth in retail sales and housing construction continue to increase, and paid traffic toll revenue on the 7 Bay Area bridges is now 80 percent of the FY 2019 level. FAN does not expect the current economic slump to have a direct financial impact on the agency. As a conduit borrower, FAN does not take nor have direct responsibility for the payment of the debt issued on behalf of the project. While the recession may make operating costs, including debt service payments more difficult for the project sponsors, neither the project sponsor, trustee nor bondholder has any recourse, direct or indirect, against FAN for failure to meet any bond covenant, payment or reporting obligation. In addition, the fees assessed by FAN for the administration of the debt are based on the principal outstanding and generally paid through a trustee and, as such not dependent on general economic conditions for payment.

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, 2020

ASSETS

Current assets:

| | | |
|---------------------|----|-------------------------|
| Cash | \$ | 3,106,401 |
| Accounts receivable | | 179,072 |
| Interest receivable | | <u>10,370</u> |
| TOTAL ASSETS | | <u><u>3,295,843</u></u> |

LIABILITIES

Current liabilities:

| | | |
|--------------------------|--|----------------------|
| Accounts payable | | 32,343 |
| Due to other government | | <u>66,671</u> |
| TOTAL LIABILITIES | | <u><u>99,014</u></u> |

NET POSITION

| | | |
|---------------------------|----|-------------------------|
| Unrestricted | | <u>3,196,829</u> |
| TOTAL NET POSITION | \$ | <u><u>3,196,829</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, 2020

OPERATING REVENUES

| | |
|----------------------------------|-----------------------|
| Administration fees | \$ 618,963 |
| Project monitoring fees | 217,817 |
| Other financial services revenue | <u>120,000</u> |
| TOTAL OPERATING REVENUES | <u>956,780</u> |

OPERATING EXPENSES

| | |
|----------------------------------|-------------------------|
| Contracted salaries and benefits | 408,975 |
| Professional fees | 439,770 |
| Overhead | 229,728 |
| Other expenses | <u>13,088</u> |
| TOTAL OPERATING EXPENSES | <u>1,091,561</u> |

OPERATING LOSS (134,781)

NONOPERATING REVENUES AND (EXPENSES)

| | |
|------------------------------------|-------------------------|
| Interest income | 56,858 |
| Contribution to ABAG | <u>(987,853)</u> |
| TOTAL NONOPERATING EXPENSES | <u>(930,995)</u> |

CHANGE IN NET POSITION (1,065,776)

Net position - Beginning of year 4,262,605

Net position - End of year \$ 3,196,829

See accompanying notes to financial statements

ABAG Finance Authority for Nonprofit Corporations
Statement of Cash Flows
For the Year Ended June 30, 2020

| | |
|---|---------------------|
| Cash flows from operating activities | |
| Cash receipts from customers | \$ 950,995 |
| Cash payments to consultants and contractors for services | <u>(1,049,553)</u> |
| Net cash used in operating activities | <u>(98,558)</u> |
| Cash flows from non-capital financing activities | |
| Contribution to Association of Bay Area Governments | <u>(987,853)</u> |
| Net cash used in non-capital financing activities | <u>(987,853)</u> |
| Cash flows from investing activities | |
| Proceeds from maturity of investments | 1,077,406 |
| Interest income | <u>60,823</u> |
| Net cash provided by investing activities | <u>1,138,229</u> |
| Net increase in cash | 51,818 |
| Balances - Beginning of year | <u>3,054,583</u> |
| Balances - End of year | <u>\$ 3,106,401</u> |

Reconciliation of operating loss to net cash used in operating activities

| | |
|---|--------------------|
| Operating loss | \$ (134,781) |
| Adjustments to reconcile operating net cash used in operating activities: | |
| Net effect of changes in: | |
| Due to other government | 20,821 |
| Accounts receivable | (5,785) |
| Accounts payable and accrued liabilities | <u>21,187</u> |
| Net cash used in operating activities | <u>\$ (98,558)</u> |

See accompanying notes to financial statements

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2020
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 \$638,703 for these services in the fiscal year ended June 30, 2020. On the *Statement of Revenues, Expenses, and Changes in Net Position*, this amount is reflected as contracted salaries and benefits and 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, 2020
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New Accounting Pronouncements

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. GASB Statement No. 95 postpones the effective date of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. GASB Statement No. 95 postpones the effective date of this statement by eighteen months. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by eighteen months. Management is currently evaluating the effect of this statement 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. GASB Statement No. 95 postpones the effective date of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement 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 improve the consistency and comparability of reporting a government's majority equity interest in legally separate organizations 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. GASB Statement No. 95 postpones the effective date of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 91, *Conduit Debt Obligation*, provides single method of reporting conduit debt obligations. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; 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. GASB Statement No. 95 postpones the effective date of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 92, *Omnibus 2020*, establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The initial requirements of this Statement are effective as

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2020
Notes to the Financial Statements

follows: (a) The requirements in paragraphs 4, 5, 11, and 13 are effective upon issuance. (b) The requirements in paragraphs 6 and 7 are effective for fiscal years beginning after June 15, 2020. (c) The requirements in paragraphs 8, 9, and 12 are effective for reporting periods beginning after June 15, 2020. (d) The requirements in paragraph 10 are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. GASB Statement No. 95 postpones all the effective dates of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of this statement by one year. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. GASB Statement No. 95 postpones the effective date of paragraphs 13 and 14 of this statement by one year. FAN adopted GASB Statement No. 95 which postponed the implementation of paragraphs 13 and 14 of this statement by one year. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*, establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018. The requirements of this Statement are effective immediately. FAN adopted this standard for fiscal year ended June 30, 2020. The adoption of the standard has no impact on FAN's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, establishes standards of accounting and financial reporting for SBITAs by a government end user (a government). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. Management is currently evaluating the effect of this statement on FAN's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (a) clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and (b) modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (for example, certain Section 457 plans). The requirements of this Statement are effective as follows: (a) The requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. (b) The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. (c) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. FAN adopted paragraphs 4 and 5 of this statement in fiscal year 2020. The adoption of paragraphs 4 and 5 did not have any impact

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2020
Notes to the Financial Statements

on FAN's financial statements. Management is currently evaluating the effect of the remainder paragraphs of this statement on FAN's 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. FAN reports its money market securities and short-term investments at cost. Net increases or decreases in the fair value of investments are shown in the Statement of Revenues, Expenses and Changes in Net Position as interest income.

FAN considers all balances in demand deposit accounts and the Local Agency Investment Fund (LAIF) to be cash, and classifies all other highly liquid cash equivalents as short-term investments. Highly liquid cash equivalents are short-term investments 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.

E. Due to Other Government

The due to other government consists of the amount due to MTC for services provided in fiscal year 2020.

ABAG Finance Authority for Nonprofit Corporations
Financial Statements for the Year Ended June 30, 2020
Notes to the Financial Statements

F. Operating and Nonoperating Revenues and Expenses

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

G. Revenue Recognition

Revenue is comprised of housing monitoring fees, interest, and annual administration fees earned by assisting other governments to issue conduit debts on behalf of eligible borrowers, and other financial services fees. Monitoring fees, administration fees and other financial services fees are recognized as the service is provided.

H. Accounts Payable

Accounts payable consists of amounts due to vendors at the end of the fiscal year.

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

Contribution to ABAG consists of the contribution amount approved by ABAG FAN Executive Committee.

J. 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.

K. Recent Event

During FY 2020, a novel strain of coronavirus spread around the world and was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of California declared a statewide shelter-in-place order. The statewide shelter-in-place order had no appreciable effect on the operations and business results of the FAN business operations. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. Management has not included any contingencies in the financial statements specific to this recent event.

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, 2020
Notes to the Financial Statements

3. CASH

A. The composition of cash at June 30, 2020 is as follows:

| | | |
|-------------------------------|----|-------------------------|
| Cash at banks | \$ | 264,800 |
| Government Pools | | |
| Local Agency Investment Fund* | \$ | <u>2,841,601</u> |
| Total Cash | \$ | <u><u>3,106,401</u></u> |

*The California State Local Agency Investment Fund (LAIF) is a program created by state statute as an investment alternative for California's local governments and special districts. Deposits in LAIF are presented as cash as they are available for immediate withdrawal or deposit at any time without prior notice or penalty and there is minimal risk of principal. LAIF is unrated.

B. Deposit Risk Factor

Custodial credit risk can affect the value of deposits. 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.

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's books.

FAN has issued bonds for various borrowers. They include but are 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, 2020
Notes to the Financial Statements

A summary of outstanding balances for Conduit Financing Programs as of June 30, 2020 is as follows:

| <u>Business Type Activities by Sectors</u> | <u>Ending Balance June 30, 2020</u> |
|---|---|
| Community Facilities District (CFDs) | \$ 96,270,000 |
| Education | 108,688,444 |
| Health Care | 890,062,769 |
| Housing | 392,889,559 |
| Others | 118,453,672 |
| | <hr/> |
| Principal balance of financing programs as of June 30, 2020 | <u>\$ 1,606,364,444</u> |

5. COMMITMENTS AND CONTINGENCIES

FAN has no commitments and contingencies as of June 30, 2020.

6. RISK MANAGEMENT

FAN is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. FAN purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by FAN from insurance companies. To date, there have been no significant reductions in any of FAN's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

7. RELATED PARTY TRANSACTIONS

On April 4, 2019 ABAG FAN Executive Committee approved up to \$1,000,000 contribution to ABAG for retiring ABAG's remaining OPEB costs. In July 2019 a contribution of \$987,853 was made toward ABAG's fiscal year 2019 net OPEB liability.

8. SUBSEQUENT EVENTS

FAN has evaluated subsequent events for the period from June 30, 2020 through xxx xx , 2020, the date the financial statements were available to be issued, and no subsequent events have been identified.

OTHER SUPPLEMENTARY INFORMATION

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (CFDs)
As of June 30, 2020

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 6/30/20 |
|--|----------------------|----------------|----------------------|---------------------|
| 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 | 8/30/2018 | 9/1/2038 | \$9,795,000 | \$9,500,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2006-2 (SAN FRANCISCO MINT PLAZA AREA) SPECIAL TAX BONDS, SERIES 2007A | 11/1/2007 | 9/1/2037 | 3,270,000 | 2,905,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS COMMUNITY FACILITIES DISTRICT NO. 2006-1 (SAN FRANCISCO RINCON HILL) SPECIAL TAX BONDS, SERIES 2006A | 6/8/2006 | 9/1/2036 | 5,825,000 | 5,105,000 |
| 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) | 6/29/2017 | 9/2/2034 | 59,885,000 | 53,430,000 |
| ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS REFUNDING REVENUE BONDS, SENIOR SERIES 2014-A (WINDEMERE RANCH INFRASTRUCTURE FINANCING PROGRAM) | 8/28/2014 | 9/2/2034 | 31,805,000 | 25,330,000 |
| Total 5 Transactions | | | <u>\$110,580,000</u> | <u>\$96,270,000</u> |

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Education)
As of June 30, 2020

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 6/30/20 |
|--|-----------------------------|-----------------------|--------------------------|---------------------------|
| Berkeley Montessori School 2013 | 6/27/2013 | 1/1/2041 | \$7,150,000 | \$5,014,148 |
| Drew School Series 2014 | 6/20/2014 | 8/1/2034 | 12,325,000 | 7,842,202 |
| Drew School Series 2015 | 6/20/2015 | 11/1/2035 | 2,160,000 | 1,760,000 |
| Ecole Bilingue | 4/25/2012 | 5/1/2037 | 11,350,000 | 9,688,019 |
| Grauer Foundation for Education | 1/19/2006 | 1/1/2031 | 4,000,000 | 1,920,000 |
| Harker School 2013 (Remarketed from 1998) | 1/1/1998 | 1/1/2023 | 18,230,000 | 3,415,000 |
| Harker School 2013 (Remarketed from 2007) | 8/1/2007 | 1/1/2037 | 20,000,000 | 9,551,000 |
| La Jolla Country Day School 2010 | 10/14/2010 | 9/1/2037 | 30,000,000 | 25,463,320 |
| 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 | 3,569,642 |
| Park Day School | 4/10/2014 | 4/1/2044 | 9,000,000 | 7,835,949 |
| San Francisco Friends School 2012 | 12/17/2012 | 1/1/2043 | 27,325,000 | 22,170,655 |
| San Francisco University High School 2005 ⁽¹⁾ | 7/21/2005 | 4/1/2035 | 8,315,000 | - |
| San Francisco University High School 2006 ⁽¹⁾ | 5/11/2006 | 4/1/2036 | 7,170,000 | - |
| Santa Cruz Montessori School | 7/2/2013 | 7/1/2043 | 5,660,000 | 4,758,835 |
| St. Helena Montessori School | 7/30/2014 | 8/1/2044 | 6,000,000 | 4,699,674 |
| St. Paul's Day School of Oakland ⁽²⁾ | 3/14/2013 | 2/1/2043 | 8,000,000 | - |
| Valley Montessori School 2012 ⁽³⁾ | 9/21/2012 | 10/1/2042 | 7,180,000 | - |
| Total 18 Transactions | | | \$188,965,000 | \$108,688,444 |

⁽¹⁾ This bond issue was fully redeemed on May 20, 2020.

⁽²⁾ This bond issue was fully redeemed on June 18, 2020.

⁽³⁾ This bond issue was fully redeemed on March 26, 2020.

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Health Care)
As of June 30, 2020

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 6/30/20 |
|---|-----------------------------|-----------------------|--------------------------|---------------------------|
| Acacia Creek at Union City, Series 2013 A | 10/29/2013 | 7/1/2038 | \$99,423,319 | \$87,235,533 |
| Air Force Village West, Inc. ⁽¹⁾ | 4/14/2005 | 5/15/2035 | 23,000,000 | - |
| Casa de las Campanas, Inc. | 1/28/2010 | 9/1/2037 | 54,310,000 | 43,305,000 |
| Episcopal Senior Communities 2011 (Changed name to Covia Communities) | 10/27/2011 | 7/1/2041 | 62,200,000 | 54,200,000 |
| Episcopal Senior Communities 2012A & B (Changed name to Covia Communities) | 12/20/2012 | 7/1/2047 | 88,705,000 | 77,700,000 |
| Eskaton Properties Inc. 2013 | 6/6/2013 | 11/15/2035 | 51,875,000 | 42,740,000 |
| Eskaton Properties Series 2008 (Remarketed to 2013) | 4/10/2008 | 5/15/2029 | 23,500,000 | 11,025,000 |
| Eskaton Village - Roseville 2012 (Remarketed from 2006) | 12/14/2006 | 12/1/2037 | 22,000,000 | 16,040,000 |
| Insured Nonprofit Program Financing #1: The Asian Americans for Community et al | 10/28/1992 | 10/1/2022 | 5,800,000 | 210,000 |
| Insured Nonprofit Program Financing #2: Big Valley Medical Services et al | 3/24/1993 | 3/1/2023 | 3,190,000 | 170,000 |
| La Clinica de La Raza | 12/30/2010 | 12/1/2030 | 3,855,000 | 2,475,000 |
| NorthBay Healthcare Group 2013 | 9/26/2013 | 9/26/2029 | 2,163,521 | 1,064,271 |
| O'Connor Woods | 6/12/2013 | 1/1/2043 | 49,115,000 | 43,275,000 |
| Odd Fellows Home of California 2012 A | 10/25/2012 | 4/1/2042 | 98,550,000 | 76,125,000 |
| Odd Fellows Home of California 2016 A & B | 7/27/2016 | 8/1/2021 | 71,429,000 | 19,952,965 |
| On Lok Senior Health Services, Series 2014 | 7/31/2014 | 8/1/2044 | 25,530,000 | 23,060,000 |
| Pathways Home Health & Hospice | 10/19/2004 | 10/1/2034 | 6,070,000 | 4,160,000 |
| Sharp HealthCare Series 2009 A | 2/1/2009 | 8/1/2024 | 60,000,000 | 21,625,000 |
| Sharp HealthCare Series 2009 C & D | 9/2/2009 | 8/1/2035 | 99,880,000 | 99,880,000 |
| Sharp HealthCare Series 2010 A | 12/16/2010 | 12/1/2035 | 30,000,000 | 21,440,000 |
| Sharp HealthCare Series 2011 A | 2/10/2011 | 8/1/2030 | 77,710,000 | 54,735,000 |
| Sharp HealthCare Series 2012 A | 1/24/2012 | 8/1/2028 | 46,665,000 | 37,855,000 |
| Sharp HealthCare Series 2014 A | 2/12/2014 | 8/1/2043 | 159,485,000 | 151,790,000 |
| Total 23 Transactions | | | \$1,164,455,840 | \$890,062,769 |

(1) This bond issue was called in full on March 7, 2017.

ABAG Finance Authority for Nonprofit Corporations

Summary of Conduit Financings (Housing)

As of June 30, 2020

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 6/30/20 |
|---|----------------------|----------------|----------------------|----------------------|
| Acton Courtyard Apartments Project | 3/1/2010 | 4/1/2037 | \$9,920,000 | \$9,920,000 |
| Artech Apartments Refunding ⁽¹⁾ | 3/1/2010 | 5/1/2029 | 3,200,000 | - |
| Belovida Santa Clara Apartments | 8/8/2008 | 8/1/2040 | 5,526,000 | 675,000 |
| Berkeleyan Project ⁽¹⁾ | 5/29/2003 | 5/15/2033 | 8,290,000 | - |
| Citrus Commons (Divine Senior) Apartments | 8/23/2005 | 8/1/2035 | 3,720,000 | 615,960 |
| Darling Florist Building Apartment (Touriel) ⁽¹⁾ | 12/12/2002 | 7/15/2035 | 6,210,000 | - |
| Fair Plaza Senior Apartments | 4/10/2008 | 4/1/2038 | 3,700,000 | 3,175,000 |
| Fine Arts Building Apartments ⁽¹⁾ | 12/12/2002 | 7/15/2035 | 18,000,000 | - |
| Gaia Building ⁽¹⁾ | 7/26/2000 | 9/15/2032 | 15,365,000 | - |
| Hampton Place Apartments (Gateway Village) | 8/24/2001 | 4/1/2028 | 4,840,000 | 661,000 |
| Hayward Senior Apartments | 4/8/2005 | 10/1/2036 | 15,000,000 | 11,316,745 |
| Heritage Park Apartments | 6/28/2007 | 6/1/2042 | 6,400,000 | 3,983,916 |
| Kings Garden Apartments | 7/28/2006 | 2/1/2038 | 6,701,500 | 4,560,491 |
| La Terrazza Apartments (FKA Colma Bart Family Apts) | 10/8/2002 | 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 | 728,283 |
| Oak Park Apartments | 10/7/2002 | 2/1/2030 | 4,450,000 | 437,791 |
| Orchard Glen Apartments | 1/13/2006 | 3/1/2039 | 30,600,000 | 26,527,649 |
| Palo Alto Gardens Apartments | 4/29/1999 | 4/1/2039 | 11,435,000 | 8,495,000 |
| Potrero Launch Apartments 2009A | 12/9/2010 | 1/1/2044 | 57,585,000 | 53,160,000 |
| Presidio El Camino Apartments | 9/15/2011 | 3/1/2044 | 7,700,000 | 1,948,383 |
| Reardon Heights Apartments 2008 | 6/3/2008 | 5/15/2038 | 4,500,000 | 4,500,000 |
| Rivers Senior Apartments | 3/20/2007 | 4/1/2040 | 8,585,000 | 4,978,455 |
| Sage Canyon Apartments | 10/20/2005 | 10/1/2038 | 12,500,000 | 1,151,618 |
| Shiraz Senior Apartments | 11/15/2001 | 1/1/2034 | 4,080,000 | 2,937,963 |
| Spring Villa Apartments | 6/27/2006 | 6/1/2038 | 12,533,000 | 9,938,304 |
| Tara Village Apartments ⁽²⁾ | 11/30/2004 | 12/1/2035 | 13,000,000 | - |
| Terracina at Elk Grove | 9/30/2008 | 5/1/2041 | 7,600,000 | 4,225,218 |
| Terracina at Springlake Family Apartments | 9/14/2006 | 9/1/2038 | 17,000,000 | 7,476,168 |
| 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 | 3,138,074 |
| Tracy Village Apartments ⁽³⁾ | 6/10/2005 | 6/1/2036 | 3,701,300 | - |
| Unity Estates Apartments ⁽³⁾ | 4/8/2005 | 4/1/2036 | 4,000,000 | - |
| Villa Serena Apartments | 4/28/1998 | 4/1/2030 | 11,000,000 | 5,801,000 |
| Vintage Laguna II City of Elk Grove | 9/16/2011 | 1/1/2044 | 7,250,000 | 2,920,000 |
| Vintage at Laguna Apartments | 12/19/2003 | 12/1/2035 | 9,800,000 | 7,213,339 |
| Vintage Chateau II | 7/8/2011 | 1/1/2044 | 8,100,000 | 5,250,000 |
| Vintage Oaks Senior Apartments | 12/23/2009 | 1/1/2040 | 15,520,000 | 12,610,000 |
| Vintage Square at Westpark Senior Apartments | 6/27/2008 | 6/1/2040 | 13,500,000 | 7,455,872 |
| Wildhorse Family Apartments | 6/3/1999 | 6/1/2031 | 5,230,000 | 3,056,000 |
| Yuba Garden Apartments | 9/1/2005 | 2/1/2045 | 4,800,000 | 3,407,330 |
| Total 41 Transactions | | | \$580,716,800 | \$392,889,559 |

⁽¹⁾ This bond issue was fully redeemed on September 16, 2019.

⁽²⁾ This bond issue was fully redeemed on November 27, 2019.

⁽³⁾ This bond issue was fully redeemed on December 24, 2019.

ABAG Finance Authority for Nonprofit Corporations
Summary of Conduit Financings (Others)
As of June 30, 2020

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 6/30/20 |
|--|---------------------------------|-----------------------|------------------------------|-------------------------------|
| California Alumni Association Project | 12/21/2004 | 4/1/2034 | \$8,300,000 | \$5,655,000 |
| Computer History Museum | 12/22/2010 | 10/1/2032 | 7,000,000 | 7,000,000 |
| Ecology Action | 12/16/2010 | 12/1/2030 | 3,000,000 | 2,010,000 |
| Institute for Defense Analyses Reissuance | 6/10/2019 | 10/1/2035 | 10,750,000 | 10,750,000 |
| Jackson Laboratory 2012 | 10/24/2012 | 7/1/2037 | 60,290,000 | 50,300,000 |
| Kingsbury IDB | 4/8/2014 | 4/1/2025 | 3,400,000 | 1,615,000 |
| Morgan Autism Center | 5/31/2016 | 1/29/2040 | 9,750,000 | 8,433,672 |
| 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 |
| Total 9 Transactions | | | <u>\$135,990,000</u> | <u>\$118,453,672</u> |