

**CALIFORNIA MUNICIPAL
FINANCE AUTHORITY**

Independent Auditor's Reports,
Management's Discussion and Analysis,
and Basic Financial Statements

For the Year Ended June 30, 2022



Certified
Public
Accountants

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

For the Year Ended June 30, 2022

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Independent Auditor's Report

To the Board of Directors
California Municipal Finance Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the California Municipal Finance Authority (CMFA), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the CMFA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CMFA, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CMFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The CMFA's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMFA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CMFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CMFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises California Municipal Finance Authority Fee Schedules and Financing Approvals but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the CMFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CMFA's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

San Diego, California
March 30, 2023

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Management's Discussion and Analysis
(Unaudited)

This section of the California Municipal Finance Authority's (the CMFA) annual financial report presents the Management's Discussion and Analysis (MD&A)¹ of its financial performance during the year ended June 30, 2022. The information in this section should be read in conjunction with the financial statements and related notes to the financial statements following this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

The CMFA was organized on August 12, 2004, under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. The CMFA is a joint powers authority created to strengthen local communities by promoting economic development and charitable activities throughout the State of California. With the goal of giving back to California communities, the CMFA assists local governments, non-profits, and businesses with the issuance of taxable and tax-exempt financing. Members of the CMFA include cities, counties, and special districts within California.

The CMFA is committed to promoting economic and social programs in its member communities. The CMFA shares a minimum of 25% of all issuance fees collected directly with its member communities and donates at a minimum another 25% to nonprofit borrowers in the form of reduced fees or to the California Foundation for Stronger Communities (Foundation), a blended component unit of the CMFA, for the support of local charities designated by its member agencies.

The CMFA acts as a municipal conduit issuer and assists eligible institutions in obtaining financing through the issuance of revenue bonds. The bonds are special, limited obligations of the CMFA, payable solely from the revenues of the projects and other funds of the borrowers.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2022

- Restricted cash balances for the fiscal year (FY) 2022 are \$91,408,687 higher than the prior year primarily due to escrow balances to defease line of credit draws for the CMFA Multifamily Housing Bond Recycling Program (Bond Recycling Program), which commenced during FY 2022. In addition, the California Debt Limit Allocation Committee (CDLAC) escrow balance decreased by \$1,920,550; as a result of the CDLAC policy to only require a performance deposit if a bond allocation was awarded.
- FY 2022 operating revenues increased by \$3,997,159 in comparison with the same period last year primarily due to an increase in the number of bond issuances.
- An increase in net position of \$282,472 is due mainly to recognition of other agencies income in the operating revenue and recycle bond interest income in the nonoperating revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The CMFA's financial statements include the MD&A, financial statements, and accompanying notes to the basic financial statements. This report also includes other information intended to furnish additional detail to the intended users.

Basis of Presentation: The transactions of the CMFA are accounted for as an enterprise fund utilizing the accrual basis of accounting.

¹ For purposes of this MD&A, "Management" refers to the Executive Director of the CMFA.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Management's Discussion and Analysis (Continued)
(Unaudited)

Blended Component Unit: Financial results for the Foundation are combined with the CMFA's financial statements for FY 2022. MD&A discussions comparing prior year financial results for the CMFA include activity related to the Foundation. Separately audited financial statements for the Foundation can be found on the CMFA's website at www.cmfa-ca.com and can also be obtained by contacting CMFA's management, 2111 Palomar Airport Road, Suite 320, Carlsbad, CA 92011.

FINANCIAL STATEMENTS

The financial statements of the CMFA report information using accounting principles generally accepted in the United States of America (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These statements offer both short-term and long-term financial information about the CMFA's activities.

- The *Statement of Net Position* includes all of the CMFA's assets and liabilities as of June 30, 2022, and provides information about the nature and amounts of investments in resources (assets) and the obligations to the CMFA's creditors (liabilities). It also provides the basis for evaluating the capital structure of the CMFA and assessing the liquidity and financial flexibility of the CMFA.
- The *Statement of Revenues, Expenses and Change in Net Position* accounts for all of the CMFA's revenues and expenses for the year ended June 30, 2022. This Statement reflects the results of the CMFA's operations over the year and can be used to determine the CMFA's credit worthiness and its ability to successfully recover all its costs through user fees and other income.
- The *Statement of Cash Flows* provides information about the CMFA's cash receipts and cash payments during the year ended June 30, 2022. This Statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The Statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Management's Discussion and Analysis (Continued)
(Unaudited)

FINANCIAL ANALYSIS OF THE CMFA

The following is a brief discussion of key items contained in the Statement of Net Position.

CONDENSED STATEMENTS OF FINANCIAL POSITION

The assets, liabilities, and net position as of June 30, 2022 and 2021 and changes from the prior year are shown in the table below.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Asset:			
Cash	\$ 855,642	\$ 709,125	\$ 146,517
Restricted cash	96,570,937	5,162,250	91,408,687
Other assets	<u>62,985</u>	<u>150,967</u>	<u>(87,982)</u>
Total assets	<u>97,489,564</u>	<u>6,022,342</u>	<u>91,467,223</u>
Liabilities:			
Accounts payable and accrued liabilities	293,805	179,393	114,412
Refundable deposits	3,328,848	5,162,250	(1,833,402)
Line of credit	<u>92,903,740</u>	<u>-</u>	<u>92,903,740</u>
Total liabilities	<u>96,526,393</u>	<u>5,341,643</u>	<u>91,184,750</u>
Net Position:			
Restricted	338,349	-	338,349
Unrestricted	<u>624,822</u>	<u>680,699</u>	<u>(55,877)</u>
Total net position	<u>\$ 963,171</u>	<u>\$ 680,699</u>	<u>\$ 282,472</u>

As part of the CMFA's program of giving back to local communities, the CMFA allocates a portion of its fees to the Foundation to be distributed to nonprofit charities throughout California. The timing of the cash receipts and these charitable distributions affects the cash levels at year-end. During the years ended June 30, 2022, and 2021, charitable payments distributed through the Foundation were \$4,596,139 and \$2,944,681, respectively.

ASSETS

Restricted Cash

Restricted cash relates to the Bond Recycling Program, Welfare Exemption Program, and the CDLAC performance deposits. The Bond Recycling Program uses a line of credit in order to preserve and recycle tax-exempt private activity bond volume cap. The CDLAC performance deposits are paid by Project Sponsors (Borrowers) requesting Qualified Private Activity Bond Allocations, which require performance deposits by the CDLAC. Qualified Residential Rental Project performance deposits are either released to the Borrowers when the bonds are issued and approved by CDLAC, or they are forfeited and sent to the CDLAC for non-performance.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Management's Discussion and Analysis (Continued)
 (Unaudited)

LIABILITIES

Line of Credit

The CMFA, on behalf of Borrowers who are requesting Recycled Bond Allocations uses a line of credit to preserve and recycle tax-exempt private activity bond volume cap. The Bond Recycling Program began in FY 2022 and the total line of credit draws as of June 30, 2022, was \$92,903,740.

Refundable Deposits

The CMFA, on behalf of Borrowers who are requesting Qualified Private Activity Bond Allocations, collects performance deposits for the CDLAC. The performance deposits are either released to the Borrowers when bonds are issued and approved by CDLAC or forfeited and sent to CDLAC for non-performance. Total performance deposits as of June 30, 2022, and 2021 were \$3,328,848 and \$5,162,250, respectively. The \$1,833,402 decrease in performance deposits is due to a change in the CDLAC regulations regarding Qualified Residential Rental Projects, where Borrowers now only submit performance deposits after receiving CDLAC allocation.

The following is a brief discussion of key items contained in the Statement of Revenues, Expenses and Change in Net Position.

OPERATING REVENUES

The CMFA generates operating revenues through annual fees, issuance fees, and application fees for activities related to bond financings. The CMFA issued \$ 4.7 billion and \$2.8 billion of new bonds in FY 2022 and FY 2021, respectively. Operating Revenues for FY 2022 and FY 2021 were \$12,924,566 and \$8,927,407, respectively, including program income of \$700,962 from other agencies received by the CFSC in FY 2022.

Operating Revenues			
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Annual fees	\$ 6,884,487	\$ 5,466,951	\$ 1,417,536
Issuance fees	5,160,117	3,304,456	1,855,661
Application fees	179,000	156,000	23,000
Other agencies income	<u>700,962</u>	<u>-</u>	<u>700,962</u>
	<u>\$ 12,924,566</u>	<u>\$ 8,927,407</u>	<u>\$ 3,997,159</u>

Under the fee schedules adopted by the CMFA on August 20, 2020, and June 24, 2022, application fees are credited against the issuance costs at closing. The application fee revenue is reported net of the application fee credits applied to the closing costs in FY 2022.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Management's Discussion and Analysis (Continued)
(Unaudited)

OPERATING EXPENSES

The CMFA's FY 2022 and FY 2021 operating expenses were \$12,773,447 and \$8,906,104, respectively. In FY 2022, professional consultant fees increased by \$1,789,661, charitable donations made through the Foundation increased by \$1,651,457, and payments to the CMFA's member agencies were \$373,677 higher compared to FY 2021 due to more transactions closing in FY 2022.

Operating Expenses

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Professional consultant fees	\$ 6,522,926	\$ 4,733,265	\$ 1,789,661
Charitable donations	4,595,989	2,944,681	1,651,457
Joint Powers Authority member distribution	1,411,603	1,037,926	373,677
General and administrative	163,864	140,372	23,492
Marketing	<u>79,065</u>	<u>49,860</u>	<u>29,205</u>
	<u>\$ 12,773,447</u>	<u>\$ 8,906,104</u>	<u>\$ 3,867,343</u>

NET POSITION

The following table presents a condensed Statement of Revenues, Expenses and Change in Net Position for the years ended June 30, 2022 and 2021. The items affecting the change in net position were previously detailed in the operating revenues and operating expenses discussion.

Condensed Statement of Revenues, Expenses and Change in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues	\$ 13,055,919	\$ 8,929,684	\$ 3,997,159
Expenses	<u>12,773,447</u>	<u>8,906,104</u>	<u>3,867,342</u>
Change in net position	282,472	23,580	129,817
Net position - beginning of year	<u>680,699</u>	<u>657,119</u>	<u>23,580</u>
Net Position - end of year	<u>\$ 963,171</u>	<u>\$ 680,699</u>	<u>\$ 282,472</u>

ECONOMIC FACTORS

The overall economic environment was positive for the types of programs administered by the CMFA in FY 2022 and has continued to be so through the date of this MD&A. Of particular note is the strength of the CMFA's affordable housing program.

Although the economic environment has been positive, the Borrowers, and not the CMFA, determine the timing and whether or not a transaction will move forward. Therefore, the decisions of the conduit Borrowers will always be a major factor in the financing activity and, ultimately, the financial results of the CMFA.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Management's Discussion and Analysis (Continued)
(Unaudited)

CONTACTING THE CMFA'S FINANCIAL MANAGEMENT

This financial report was designed to provide a general overview of the CMFA's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Executive Director, California Municipal Finance Authority, 2111 Palomar Airport Road, Suite 320, Carlsbad, CA 92011.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Statement of Net Position

June 30, 2022

ASSETS

Current assets:

Unrestricted assets:

Cash	\$	855,642
Accounts receivable		31,187
Prepaid expenses		31,798

Total current assets 918,627

Restricted assets:

Cash		96,570,937
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Total assets 97,489,564

LIABILITIES

Current liabilities:

Accounts payable		234,783
Accrued expenses		59,022
Refundable deposits		3,328,848
Line of credit		92,903,740

Total liabilities 96,526,393

NET POSITION

Restricted		338,349
Unrestricted		624,822

Total Net Position \$ 963,171

See Accompanying Notes to the Basic Financial Statements.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Statement of Revenues, Expenses and Change in Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES:

Annual fees	\$ 6,884,487
Issuance fees	5,160,117
Application fees	179,000
Other agencies income	700,962
Total operating revenues	12,924,566

OPERATING EXPENSES:

Professional consultant fees	6,522,926
Charitable donations	4,595,989
Municipal distributions to Joint Powers Authority members	1,411,603
General and administrative	163,864
Marketing	79,065
Total operating expenses	12,773,447

OPERATING INCOME	151,119
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NONOPERATING REVENUES

Recycle Bond Program interest income	128,180
Interest income	3,173
Net nonoperating revenues	131,353

Change in net position	282,472
Net position - beginning of year	680,699
Net position - end of year	\$ 963,171

See Accompanying Notes to the Basic Financial Statements.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Statement of Cash Flows

For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from borrowers	\$ 12,386,697
Cash received Proceed of recycling bond line of credit	92,903,740
Cash paid to suppliers for goods and services	(8,310,108)
Cash paid for general and administrative expenses	(249,849)
Cash received from other agencies	700,962
Cash payments for municipal distributions and charitable donations	<u>(6,007,592)</u>
Net cash used by operating activities	<u>91,423,850</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest income received	<u>131,353</u>
Net increase in cash	91,555,203
Cash - beginning of year	<u>5,871,376</u>
Cash - end of year	<u><u>\$ 97,426,579</u></u>

**RECONCILIATION OF CASH TO THE
STATEMENT OF NET POSITION:**

Cash	\$ 855,642
Restricted cash	<u>96,570,937</u>
Cash - end of year	<u><u>\$ 97,426,579</u></u>

**RECONCILIATION OF OPERATING INCOME TO NET
CASH USED BY OPERATING ACTIVITIES:**

Operating income	\$ 151,119
Adjustments to reconcile operating income to net cash used by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	110,037
Prepaid expenses	(22,055)
Accounts payable	125,285
Accrued expenses	(10,874)
Refundable deposits	(1,833,402)
Line of credit	<u>92,903,740</u>
Net cash used by operating activities	<u><u>\$ 91,423,850</u></u>

See Accompanying Notes to the Basic Financial Statements.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

NOTE 1 - ORGANIZATION AND OPERATIONS

The California Municipal Finance Authority (CMFA) was organized on August 12, 2004 under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. The CMFA is a joint powers authority created to strengthen local communities by promoting economic development and charitable activities throughout the State of California. With the goal of giving back to California communities, the CMFA assists local governments, non-profits and businesses with the issuance of taxable and tax-exempt financing. Members of the CMFA include cities, counties and special districts within California. The CMFA is governed by a 5-member board.

The CMFA is committed to promoting economic and social programs in its member communities. The CMFA shares a minimum of 25% of all issuance fees directly with its member communities and donates at a minimum another 25% to the Foundation for the support of local charities designated by its member communities.

As further discussed at Note 2, the Foundation is considered a component unit of the CMFA. Therefore, when the term CMFA is used within the footnotes, it is making reference to both the California Municipal Finance Authority and the Foundation (a blended component unit of the CMFA).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The CMFA's accounting policies and financial reporting conform to accounting principles generally accepted in the United States of America (GAAP) and are based upon the Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies:

Reporting Entity

As required by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*, these financial statements present the CMFA and its component unit. GASB Statement No. 39 defines special criteria for legally separate tax-exempt organizations as potential component units. A blended component unit, although a legally separate entity is, in substance, part of the reporting entity's operations, and so activities from a component unit is combined with data of the primary government. The CMFA identifies the Foundation as a blended component unit:

The Foundation was established on February 17, 2004, as a California nonprofit public benefit corporation, organized under the Nonprofit Public Benefit Law for public and charitable purposes. The Foundation was formed for the specific purpose of administering, assisting or advising in the administration of the CMFA and to provide financial grants or other financial support or benefits to nonprofit funds, foundations, and corporations to strengthen and enhance charitable activities throughout the State of California. Although a separate legal entity, the Foundation is a component unit of the CMFA, since the Foundation relies upon the CMFA for the majority of its financial support and the governing bodies are the same.

The Foundation issues separate financial statements, and these can be obtained from the CMFA's Finance Department; 2111 Palomar Airport Road, Suite 320, Carlsbad, CA 92011.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The financial statements report information on all of the enterprise activities of the CMFA. The financial statements are prepared using the *economic resource* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (revenues) and decreases (expenses) in the CMFA's total net position. Under the accrual basis of accounting, the CMFA recognizes revenue when earned while expenses are recognized when the liability is incurred regardless of the timing of cash flows.

Operating revenues are those revenues that are generated from the CMFA's primary operations. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the CMFA. The CMFA does not report any nonoperating expenses.

Cash and Restricted Cash

The CMFA's cash and restricted cash are comprised of demand deposits and pledged accounts related to the line of credit. Restricted cash relates to refundable deposits and the CMFA Multifamily Housing Bond Recycling Program (Bond Recycling Program), which are further described in Note 4 and 5. Cash and restricted cash are considered cash for purposes of the Statement of Cash Flows.

Accounts Receivable

Accounts receivable consist of issuance and annual administration fees which are reported at their net realizable value. Any amounts that remain outstanding after management has used reasonable collection efforts are deemed uncollectible and written-off through a charge to the valuation allowance and elimination of the accounts receivable. There is no valuation allowance recorded as of June 30, 2022, as all accounts receivable are deemed collectible.

Prepaid Expenses

The CMFA makes certain payments for insurance that reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Net Position

The Statement of Net Position is designed to display the financial position of the CMFA and is categorized as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction or improvement of the assets. As of June 30, 2022, there were no amounts reported as net investment in capital assets.

Restricted – This amount consists of restricted assets which are reduced by liabilities related to those assets. As of June 30, 2022, there was \$338,349 of restricted net position.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position (Continued)

Unrestricted – This amount is the portion of net position that doesn't meet the definition of Net Investment in Capital Assets or Restricted Net Position.

When both restricted and unrestricted resources are available for use, it is the CMFA's policy to use restricted resources first, and then use unrestricted resources as needed.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Management believes that all estimates embodied in the financial statements are reasonable.

Future GASB Pronouncements

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangement associated with conduit debt obligations, and 3) related note disclosures. 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. This Statement will become effective in fiscal year 2023. CMFA is evaluating the potential impacts this Statement may have on the financial statements.

NOTE 3 - CASH AND RESTRICTED CASH

The carrying amount of the CMFA's cash held in demand deposit accounts was \$97,426,579 at June 30, 2022, while the related bank balance was \$99,017,013. The difference between the carrying value and the bank balance is related to outstanding checks. The bank balances at June 30, 2022, were fully insured or collateralized with securities held by the pledging financial institutions in the CMFA's name.

Custodial Credit Risk and Investment Policy

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code (CGC) does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision: The CGC requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The CMFA may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2022

NOTE 3 - CASH AND RESTRICTED CASH (Continued)

Custodial Credit Risk and Investment Policy (Continued)

In July 2013, the Board of Directors of the CMFA formally adopted a deposit and investment policy, which is governed by the CGC §53600 et seq., that limits its allowable deposits or investments and addresses the types of risk to which the CMFA is exposed. The CMFA has historically deposited all of its excess cash in demand deposit accounts with a single financial institution.

NOTE 4 - REFUNDABLE DEPOSITS

The CMFA, on behalf of Project Sponsors (borrowers who are requesting Qualified Private Activity Bond Allocations), collects performance deposits for the California Debt Limit Allocation Committee (CDLAC). These deposits are either released to the borrowers when the bonds are issued, or they are forfeited and sent to the CDLAC for non-performance. These amounts are held in a separate bank account by the CMFA and are classified as restricted cash. During fiscal year 2022, due to a change in the CDLAC regulations regarding Qualified Residential Rental Projects, Borrowers now only submit performance deposits after receiving CDLAC allocation.

The CMFA had \$3,328,848 of refundable deposits as of June 30, 2022.

NOTE 5 - LINE OF CREDIT

The CMFA established the Bond Recycling Program in 2021, which has helped facilitate the financing of additional affordable rental housing in the State of California without obtaining new private activity bond volume cap. The Bond Recycling Program requires line of credit draws in order to transfer bond allocation from one qualifying project to another. The proceeds from the line of credit draw are deposited into a restricted escrow account. Once new bonds are issued the related escrowed funds are used to repay the line of credit draw.

For the pursuance of the Bond Recycling Program, the CMFA entered into a Revolving Credit Agreement with Royal Bank of Canada (the Bank) in June 2021. The first drawdown was made on August 13, 2021. The maximum amount of the line of credit is equal to the amount of \$100,000,000 per the agreement. The line of credit borrowing bears a LIBOR interest rate, which is determined on two (2) business days prior to the applicable LIBOR period, such as one, three, or six months, as designated by the CMFA and approved by the Bank, and applicable fees based upon the outstanding drawdown balance. The CMFA did not incur interest expense on its line of credit as it is prepaid by Borrowers to the CMFA and remitted to the Line of Credit Bank when the draw is made. Upon the agreement, the Authority established and maintained a pledged account a ratio of 1.0 to 1.0 with respect to cash and investments permitted by the agreement against the principal due and owing on the line of credit balance in the aggregate for any event of default or termination. The outstanding line of credit balance as of June 30, 2022, is \$92,903,740. The CMFA also has an unused line of credit in the amount of \$7,096,260 as of June 30, 2022.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2022

NOTE 6 - OTHER AGENCIES INCOME

Since March 2021, the CMFA has entered into a Joint Exercise of Powers (JPAs) Agreement to create several special finance agencies. The CMFA is participating in special finance agencies as a charter member. These separate JPAs receive fees for the financing and/or refinancing of any purpose or activity permitted under the Joint Exercise of Powers Act of the Government Code of the State of California or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals.

NOTE 7 - ADVISORY FEES

The CMFA entered into a professional service agreement with an advisory company to manage the operations of the CMFA with respect to taxable and tax-exempt financing for corporations, governmental entities and non-profit institutions. The CMFA pays the advisory company a percentage of its fees. Advisory fees for the year ended June 30, 2022, amounted to \$6,244,153.

NOTE 8 - CHARITABLE CONTRIBUTIONS TO THE FOUNDATION

The CMFA allocates a portion of fees collected to the Foundation. The amounts distributed to the Foundation for the year ended June 30, 2022, were \$3,910,737. In the financial statements of the CMFA the transfers are eliminated for presentation purposes.

NOTE 9 - CHARITABLE CONTRIBUTIONS BY THE FOUNDATION

The CMFA donates a portion of fees collected to various charitable activities within California communities through the Foundation. The amount donated by the CMFA during the year ended June 30, 2022 was \$4,595,989.

NOTE 10 - CONDUIT DEBT

The CMFA is a Joint Powers Authority (JPA) created to strengthen local communities by assisting with the financing of economic development and charitable activities throughout the State of California.

The JPA acts as a municipal conduit issuer and assists eligible institutions in obtaining financing through the issuance of revenue bonds. The bonds are special, limited obligations of the CMFA, payable solely from revenues of the projects and other monies of the borrowers.

As of June 30, 2022, there was \$17,985,150,009 in conduit financing outstanding. The CMFA assisted with the issuance of financings in the amount of \$4,652,977,402 during the year ended June 30, 2022. In addition, the amount of bonds authorized by the CMFA and unsold was \$804,439,646 as of June 30, 2022.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

NOTE 10 - CONDUIT DEBT (Continued)

The following is a summary of the amount of bonds authorized by the CMFA and unsold as of June 30, 2022:

Project Name	Authorized Amount
American Heritage	\$ 20,000,000
Aspen Wood Apartments	40,000,000
Azusa Pacific University	90,000,000
Caritas Corporation 2022	95,000,000
Carmel Valley Manor	37,500,000
CFD 2021-4 Jurupa Recreation & Park	2,000,000
CFD 2021-11 City of Chula Vista – Otay Ranch Village 8 West	50,000,000
CFD-2021-18 Jurupa Recreation & Park District – Montecito	1,400,000
CFD-2022-2 City of Suisun City – Meridian West	6,400,000
CFD 2022-4 City of Rocklin – Monument Springs	19,900,000
CFD 2022-7 City of Roseville – Sierra View	4,600,000
CFD 2022-8 City of Palmdale – Wildflower & Creekside Encore	12,060,000
Heritage Park Apartments Livermore	100,000
NCCD Keck Claremont College Housing	60,000,000
Northstar Courts Apartments	19,131,646
Poppy Grove I Apartments	65,977,000
Poppy Grove II Apartments	40,940,000
Poppy Grove III Apartments	72,431,000
Scripps and Pitzer College	50,000,000
Sugar Pine Village Apartments	37,000,000
USFS Alturas	10,000,000
Villa Oakland Apartments	40,000,000
Villa St. Joseph Apartments	30,000,000
	\$ 804,439,646

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2022

NOTE 11 - COMBINING FINANCIAL STATEMENT INFORMATION

Combining financial information of the CMFA and the Foundation (blended component unit) as of and for the year ended June 30, 2022 is as follows:

Condensed statement of net position:

	<u>CMFA</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash	\$ 97,419,942	\$ 6,637	\$ -	\$ 97,426,579
Other assets	62,985	15,912	(15,912)	62,985
Total assets	<u>97,482,927</u>	<u>22,549</u>	<u>(15,912)</u>	<u>97,489,564</u>
LIABILITIES				
Current	96,526,393	(15,912)	15,912	96,526,393
NET POSITION				
Restricted	338,349			338,349
Unrestricted	618,185	6,637	-	624,822
Total net position	<u>\$ 956,534</u>	<u>\$ 6,637</u>	<u>\$ -</u>	<u>\$ 963,171</u>

Condensed statement of revenues, expenses and change in net position:

	<u>CMFA</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues	\$ 12,223,604	\$ 4,611,699	\$ (3,910,737)	\$ 12,924,566
Operating expenses	12,072,635	4,611,549	(3,910,737)	12,773,447
Operating income	<u>150,969</u>	<u>150</u>	<u>-</u>	<u>151,119</u>
Nonoperating revenues	130,617	736	-	131,353
Change in net position	<u>281,586</u>	<u>886</u>	<u>-</u>	<u>282,472</u>
Net position				
Beginning of year	674,948	5,751	-	680,699
End of year	<u>\$ 956,534</u>	<u>\$ 6,637</u>	<u>\$ -</u>	<u>\$ 963,171</u>

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

Notes to the Basic Financial Statements (Continued)

For the Year Ended June 30, 2022

NOTE 11 - COMBINING FINANCIAL STATEMENT INFORMATION (Continued)

Condensed statement of cash flows:

	<u>CMFA</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Net cash provided (used) by:				
Operating activities	\$ 91,421,308	\$ 2,542	\$ -	\$ 91,423,850
Investing activities	<u>130,617</u>	<u>736</u>	<u>-</u>	<u>131,353</u>
Net increase in cash	<u>91,551,925</u>	<u>3,278</u>	<u>-</u>	<u>91,555,203</u>
Cash				
Beginning of year	<u>5,868,017</u>	<u>3,359</u>	<u>-</u>	<u>5,871,376</u>
End of year	<u>\$ 97,419,942</u>	<u>\$ 6,637</u>	<u>\$ -</u>	<u>\$ 97,426,579</u>

NOTE 12 - SEPARATE JOINT POWERS AUTHORITIES

In the normal course of business, when assisting with the issuance of conduit debt, the CMFA is, from time to time, asked to join with another public agency to form a separate joint powers authority (JPA) which is administered by the public agency. The primary reason for forming this JPA is to permit the separate public agency to access the provisions of the Joint Powers Act. The CMFA joins with the public agency to form the new JPA, however, all of the obligations of the new JPA are limited obligations payable from the actual borrower, which is the public agency that requests the CMFA to become a member. The joint powers agreement which the CMFA executes contains provisions which protect and indemnify the CMFA from the liabilities of the JPA. There is no ongoing financial responsibility of the CMFA, or financial interest related to the JPA.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the CMFA may be subject to various claims, investigations, proceedings, and legal actions from time to time arising out of the conduct of the CMFA's business. Management believes that, based on current knowledge, there are no such pending matters.

The CMFA does not have any major contractual commitments or contingencies as of the year ended June 30, 2022.

The CMFA maintains insurance policies for general liability, excess liability, directors and officers and environmental liability, with deductibles that vary from \$10,000 to \$25,000. There are no material claims or judgments that would require disclosure or accrual in the accompanying financial statements. During each of the last three fiscal years, there were no reductions in insurance coverage or settlements.

OTHER INFORMATION
(Unaudited)

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
Other Information
(Unaudited)

1 - CALIFORNIA MUNICIPAL FINANCE AUTHORITY FEE SCHEDULES

The following fee schedule is effective for all conduit bond issuances after August 28, 2020:

Schedule of Fees ^{(6) and (7)} (bps = basis points)			
Type of Project	Issuance Fees		Annual Fee ⁽³⁾
	\$0 - \$20 Million	Over \$20 Million	
Affordable Housing ^{(1) (2)}	18.75 bps	\$37,500 + 5 bps	5 bps
Nonprofit Corporations ^{(1) (2)}	20 bps on first \$10 million 5 bps on amounts above \$10 million Maximum Fee of \$75,000 per transaction		1.5 bps
Airports / Solid Waste Projects ^{(1) (2)}	25 bps	\$50,000 + 10 bps	5 bps
Manufacturing and Other ^{(1) (2)}	25 bps	\$50,000 + 10 bps	10 bps
Government Sponsored or School District Transactions	5 bps	5 bps	None
Public Private Partnerships requiring Ownership through a CMFA affiliate	50 bps	25 bps	15 bps
Community Facilities District (CFD) ⁽⁴⁾	1%	1%	10 bps
Residential PACE	\$160 per assessment	n/a	\$80 per assessment
Commercial PACE ⁽⁵⁾	Option A: 75 bps or Option B: 25 bps	Option A: 75 bps or Option B: 25 bps	Option A: None or Option B: 7.5 bps (10 years)

Notes:

- 1) CMFA shares 25% of all Issuance Fees with the Host Municipality for each transaction.
- 2) CMFA donates another 25% of Issuance Fees to charitable organizations within the Host Municipality. When the borrower is a Nonprofit Corporation, it is deemed to be the recipient of this donation. The schedule of fees listed above reflects the discounted issuance fees for Affordable Housing and Nonprofit Corporation borrowers.
- 3) Annual Fees, which include compliance monitoring, are due in advance for each year and are based on bond amounts outstanding on the anniversary of each issue (not on the original issue amount) except for P3 annual fees which are based on total original issuance amount. Minimum Annual Fee for Affordable Housing transactions will be \$4,000 per year (a \$1,000 annual compliance monitoring fee will replace the existing Annual Administration Fee throughout the CDLAC Compliance Period after the Qualified Project Period has expired). Minimum Annual Fee for all other transactions will be \$500.
- 4) CFD requires an upfront deposit.
- 5) Program Administrator may choose Option A at 75 bps issuance fee and no annual fee, or Option B with a 25 bps issuance fee and 7.5 bps annual fee for the next 10 years (100 bps total).
- 6) An application fee of \$2,500 is required for each transaction and should be included when an application is submitted. The application fee is applied to the issuance fee at closing.
- 7) In addition to the above, the Applicant will be responsible for all costs of issuance.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

1 - CALIFORNIA MUNICIPAL FINANCE AUTHORITY FEE SCHEDULES (Continued)

The following fee schedule is effective for all conduit bond issuances after June 24, 2022:

Schedule of Fees			
Type of Project	Issuance Fees		Annual Fee ⁽³⁾
	\$0 - \$20 Million	Over \$20 Million	
Affordable Housing ^{(1) (2)}	18.75 bps	\$37,500 + 5 bps	5 bps
Nonprofit Corporations ^{(1) (2)}	20 bps on first \$10 million 5 bps on amounts above \$10 million Maximum Fee of \$75,000 per transaction		1.5 bps
Airports / Solid Waste Projects ^{(1) (2)}	25 bps	\$50,000 + 10 bps	5 bps
Manufacturing and Other ^{(1) (2)}	25 bps	\$50,000 + 10 bps	10 bps
Government Sponsored or School District Transactions	5 bps	5 bps	None
Public Private Partnerships requiring Ownership through a CMFA affiliate	50 bps	25 bps	15 bps
Community Facilities District (CFD) ⁽⁴⁾	1%	1%	10 bps

Notes:

- 1) CMFA shares 25% of all Issuance Fees with the Host Municipality for each transaction.
- 2) CMFA donates another 25% of Issuance Fees to charitable organizations within the Host Municipality. When the borrower is a Nonprofit Corporation, it is deemed to be the recipient of this donation. The schedule of fees listed above reflects the discounted issuance fees for Affordable Housing and Nonprofit Corporation borrowers.
- 3) Annual Fees, which include compliance monitoring, are due in advance for each year and are based on bond amounts outstanding on the anniversary of each issue (not on the original issue amount) except for P3 annual fees which are based on the total original issuance amount. Minimum Annual Fee for Affordable Housing transactions will be \$4,000 per year. (a \$1,000 annual compliance monitoring fee will replace the existing Annual Administration Fee throughout the CDLAC Compliance Period after the Qualified Project Period has expired). Maximum annual fee for standalone CFD's is \$25,000. Minimum annual fee for all CFD's is \$1,000. Minimum Annual Fee for all other transactions will be \$500.
- 4) CFD requires an upfront deposit.
- 5) An application fee of \$2,500 is required for each transaction and should be included when an application is submitted. The application fee is applied to the issuance fee at closing.
- 6) In addition to the above, the Applicant will be responsible for all costs of issuance.

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS

The following is a summary of the amount of the financing approvals adopted via initial resolution by the CMFA's Board of Directors during the year ended June 30, 2022:

<u>Project Name</u>	<u>Initial Resolution Amount</u>
2350 South Bascom Apartments	\$ 76,000,000
2400 Long Beach Apartments	60,000,000
2400 Willow Pass Apartments	100,000,000
308 Sango Apartments	47,000,000
515 Pioneer Drive Apartments	90,000,000
710 Broadway Apartments	350,000,000
777 West San Carlos Residential Apartments	85,000,000
8181 Allison Apartments	45,000,000
831 Water Street Apartments	60,000,000
Alameda Avenue Apartments	30,000,000
Albany Family Housing Apartments	45,000,000
Alosta Gardens Apartments	55,000,000
Alvarado Creek Apartments	85,000,000
Andina Apartments	45,000,000
Armory Arts Collective Apartments	26,000,000
Ascencia Apartments	50,000,000
Aviara Apartments	55,000,000
Aviara East Apartments	25,000,000
Azuriik Apartments	125,000,000
Bana at Palmdale Apartments	14,000,000
Bear Ridge Family Apartments	25,000,000
Bennett Valley	40,000,000
Beth Asher Senior Apartments	25,000,000
California Renewable Carbon	100,000,000
California Safe Soil, DBA CSS	70,000,000
Casa Roseland Apartments	50,000,000
Cathedral Plaza Apartments	55,000,000
Central Terrace Apartments	45,000,000
CFD 2021-11 City of Chula Vista - Otay Ranch Village 8 West	128,350,000
CFD 2021-12 County of Placer - The Glen at Granite Bay	2,450,000
CFD 2021-13 City of Lincoln - Esplanade at Turkey Creek	35,400,000
CFD 2021-15 County of Placer - Rancho Del Oro	16,300,000
CFD 2021-16 City of Fairfield - Monte Verde	11,500,000
CFD 2021-17 County of Los Angeles (Unincorporated) - Spring Canyon	86,750,000
CFD 2021-18 Jurupa Area Recreation & Park District - Montecito/Hudson	1,400,000
CFD 2021-19 City of Rancho Cordova - Douglas 98 Phase 3	4,900,000
CFD 2021-4 Jurupa Recreation & Park District - Canal Street	2,000,000
CFD 2021-7 County of Placer - Auburn Douglas Duets	4,070,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

<u>Project Name</u>	<u>Initial Resolution Amount</u>
CFD 2021-9 County of Placer - Bickford Ranch	\$ 246,000,000
CFD 2022-1 County of Placer - Winding Creek Estates	1,600,000
CFD 2022-10 City of Rocklin - Croftwood II & Crowne Point	8,000,000
CFD 2022-11 County of Placer - Brady Vineyards	6,300,000
CFD 2022-15 City of Lincoln - Fullerton Ranch	12,300,000
CFD 2022-18 City of Elk Grove - Poppy Keys Southwest	26,000,000
CFD 2022-19 City of Elk Grove - Souza Dairy	32,500,000
CFD 2022-2 City of Suisun City - Meridian West	6,400,000
CFD 2022-20 City of Riverbank - Crossroads West	60,000,000
CFD 2022-3 County of Place - White Hawk II	7,100,000
CFD 2022-4 City of Rocklin - Monument Springs	19,900,000
CFD 2022-5 County of Placer - Cabral Ranch	1,800,000
CFD 2022-6 County of Sacramento - Wildhawk North	79,400,000
CFD 2022-7 City of Roseville - Sierra View	4,600,000
CFD 2022-8 City of Palmdale - Wildflower & Creekside Encore	12,060,000
CFD 2022-9 City of Rocklin - Rocklin Meadows	1,700,000
Chatsworth Family Apartments	80,000,000
Chevron	500,000,000
CityView Apartments, Series 2021A	30,000,000
CityView Apartments, Series 2021B	50,000,000
Crossroads Village Apartments	35,000,000
Cussick Apartments	35,000,000
Cypress Place at Garden City Apartments	50,000,000
El Dorado Family Apartments II	20,000,000
Farmdale Apartments	20,000,000
Fox Point Farms Apartments	15,000,000
Friendship Senior Housing Apartments	35,000,000
Green Hotel Apartments	60,000,000
Heritage Senior Apartments I & II	230,000,000
Homeless Prenatal Family Housing Apartments	45,000,000
HumanGood 2021	150,000,000
Jacaranda Gardens Apartments	30,000,000
Juniper Valley Townhomes	25,000,000
Liberty Bell Courtyard Apartments	15,000,000
Liberty Lane Apartments	35,000,000
Lightfighter Village Apartments	40,000,000
Lincoln Avenue Apartments	20,000,000
Lutheran Gardens Apartments	15,000,000
Madrone Terrace Apartments	60,000,000
Mainline North Apartments	40,000,000
Mallard Apartments	25,000,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

<u>Project Name</u>	<u>Initial Resolution Amount</u>
Marja Acres Apartments	\$ 16,000,000
Meridian at Corona Station Apartments	60,000,000
Metro 77 & 85 Apartments	70,000,000
Middlefield Junction Apartments	85,000,000
Middletown Apartments	30,000,000
Mirka Town Center Homes	10,000,000
Monamos Terrace Apartments	47,000,000
Monarch Landing Apartments	60,000,000
Morgan Hill Senior Housing Apartments	40,000,000
Nevin Plaza I Apartments	45,000,000
Northview Pointe Apartments	30,000,000
Oak Rose Apartments	30,000,000
Orion Apartments	45,000,000
Osgood South Apartments	50,000,000
Pacific Oaks Senior Apartments	25,000,000
Pacific Steel Group	350,000,000
Pleasant Grove Apartments	40,000,000
Poppy Grove I Apartments	60,000,000
Poppy Grove II Apartments	40,000,000
Poppy Grove III Apartments	70,000,000
Rancho Sierra Senior Apartments	45,000,000
Raven Sr. Inc.	80,000,000
Redwood Glen Apartments	20,000,000
Richland Village Apartments	45,000,000
River Oaks Family Apartments	25,000,000
Silicon Valley International School	25,000,000
Smoke Tree Apartments	25,000,000
Soledad Family Apartments	40,000,000
Somis Ranch Phase II Farmworker Apartments	60,000,000
Sugar Pine Village Phase 1A Apartments	42,000,000
Sunnyview Villa Apartments	20,000,000
Sunset Rose Senior Apartments	15,000,000
Terracina at Whitney Ranch Apartments	70,000,000
The Gardens Apartments	30,000,000
The Lakes Apartments	45,000,000
The Lyla Apartments	85,000,000
The Parcel Apartments, Phase I	50,000,000
The Residences on Canoga Apartments	85,000,000
The Utility Reform Network (TURN)	6,500,000
Three21 at Belmont Apartments	40,000,000
Tiburon Place Apartments	30,000,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

<u>Project Name</u>	<u>Initial Resolution Amount</u>
Topanga Canyon Apartments	\$ 60,000,000
Tripoli Apartments	40,000,000
Valley Health Team	19,600,000
Vendra Gardens Apartments	75,000,000
View at Blossom Hill Apartments	95,000,000
Villa St. Joseph Apartments	25,000,000
Villa Verde Apartments	60,000,000
Village at Madrone Apartments (FKA Monterey and Madrone)	85,000,000
Vine Creek Apartments	30,000,000
Vista Lane Family Home Apartments	55,000,000
Vista Lane Seniors Apartments	45,000,000
Vose Street Apartments	148,000,000
Williams Aymium - California Renewable Carbon	150,000,000
Woodward Family Apartments	16,000,000
Total	<u>\$ 7,346,880,000</u>

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

The following is a summary of the amount of the financing approvals adopted via final resolution by the CMFA's Board of Directors during the year ended June 30, 2022:

<u>Project Name</u>	<u>Initial Resolution Amount</u>
1304 El Camino Real Apartments	\$ 15,000,000
2400 Long Beach Apartments	80,000,000
26 Point 2 Apartments	27,690,344
308 Sango Apartments	70,000,000
425 Auzerais Apartments	55,000,000
4995 Stockton Boulevard Apartments	70,000,000
Adcock Joyner Apartments	20,000,000
Albert Einstein Academies	20,000,000
Allegheny Apartments	16,500,000
American Heritage	20,000,000
Anaheim & Walnut Apartments	47,500,000
Arroyo Crossing Apartments	45,000,000
Arroyo Crossing II Apartments	50,000,000
Aspen Wood Apartments	40,000,000
Aviara Apartments	50,000,000
Azusa Pacific University	90,000,000
Barrett Terrace Apartments	55,000,000
Bear Ridge Family Apartments	25,000,000
Brentwood Crossing Apartments	25,000,000
California Institute of the Arts	40,000,000
Canterbury Village Apartments	20,000,000
Caritas Corporation 2021	67,000,000
Caritas Corporation 2022	95,000,000
Carmel Valley Manor	37,500,000
Casa Manana Inn Apartments	14,500,000
Cathedral Plaza Apartments	70,000,000
Centertown II Apartments	20,942,396
Central Terrace Apartments	44,288,038
CFD 2020-1 City of Rocklin - Sierra Pine	8,655,000
CFD 2020-4 County of Sacramento - Barrett Ranch East - Phase 2	9,110,000
CFD 2020-6 County of Placer - PV400	11,500,000
CFD 2020-7 City of Elk Grove - Mendes	7,500,000
CFD 2021-1 County of Yuba - River Oaks South - IA1	2,960,000
CFD 2021-1 County of Yuba - River Oaks South - IA2	2,580,000
CFD 2021-1 County of Yuba - River Oaks South - IA3	3,565,000
CFD 2021-11 City of Chula Vista - Otay Ranch Village 8 West	50,000,000
CFD 2021-12 County of Placer - The Glen at Granite Bay	2,450,000
CFD 2021-16 City of Fairfield - Monte Verde (BOLD Series 2022A)	6,310,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

Project Name	Initial Resolution Amount
CFD 2021-17 County of Los Angeles (Unincorporated) - Spring Canyon	\$ 86,750,000
CFD 2021-18 Jurupa Area Recreation & Park District - Montecito/Hudson	1,400,000
CFD 2021-19 City of Rancho Cordova - Douglas 98, Phase 3	3,190,000
CFD 2021-4 Jurupa Recreation & Park District - Canal Street	2,000,000
CFD 2021-7 County of Placer - Auburn Douglas Duets	2,600,000
CFD 2022-2 City of Suisun City - Meridian West	6,400,000
CFD 2022-4 City of Rocklin- Monument Springs	19,900,000
CFD 2022-7 City of Roseville - Sierra View	4,600,000
CFD 2022-8 City of Palmdale - Wildflower & Creekside Encore	12,060,000
CityView Apartments, Series 2021A	30,000,000
CityView Apartments, Series 2021B	50,000,000
Community Medical Centers 2021	840,000,000
Department of Homeland Security, Redding Project	10,000,000
Depot Willows Apartments	19,000,000
East Garrison Apartments	27,744,207
Finca Serena Apartments	15,971,225
Gardens at Quail Run II Apartments	35,000,000
Harbor Springs Charter School RAN-B (Vista Springs)	4,000,000
Hecker Pass Apartments (Village at Santa Teresa)	35,000,000
Heritage Park Apartments Escondido (WE)	100,000
Heritage Park Apartments Livermore (WE)	100,000
Heritage Village Anaheim Apartments (WE)	100,000
Hotel Fresno Apartments - Supplement	2,000,000
Huntington Beach Senior Housing Apartments	25,000,000
Integrity Portfolio (Metro 77 & 85, Andina, Three21 at Belmont)	155,000,000
Juniper Valley Townhomes	26,000,000
Keck Claremont College Housing	60,000,000
Kifer Senior Apartments	43,000,000
Kristen Court III Apartments	20,000,000
Liberty Bell Courtyards Apartments	10,000,000
Little Tokyo Towers Apartments	90,000,000
MacArthur Studios Apartments	70,000,000
Maison's Village Apartments	40,000,000
Maudelle Miller Shirek Community Apartments	65,000,000
Mojave View Apartments	25,000,000
Mt. San Antonio Gardens	55,000,000
NCCD Keck Claremont College Housing	60,000,000
Northstar Courts Apartments	19,131,646
Oasis Senior Villas Apartments	33,500,000
Osgood Apartments	70,000,000
Pacific Oaks Senior Apartments	30,000,000
Pacific Wind Apartments	35,000,000

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Other Information (Continued)
 (Unaudited)

2 - FINANCING APPROVALS (Continued)

<u>Project Name</u>	<u>Initial Resolution Amount</u>
Palm Terrace II	\$ 25,000,000
Parkwood Apartments	20,000,000
Pismo Terrace Apartments	24,000,000
Plymouth Place Apartments	13,000,000
Poppy Grove I Apartments	65,977,000
Poppy Grove II Apartments	40,940,000
Poppy Grove III Apartments	72,431,000
Portola Senior Apartments	14,245,815
Rancho Las Bolsas Apartments	28,500,000
Sacramento Street Apartments	37,000,000
Sage at Folsom Apartments	15,875,000
Sango Court Apartments	55,000,000
Santa Fe Commons Apartments, Phase I	33,000,000
Santa Rosa Academy	25,000,000
Scripps and Pitzer College	50,000,000
Silicon Valley International School	25,000,000
Somis Ranch Apartments	75,000,000
Southwestern Law School	18,500,000
Sugar Pine Village Apartments	37,000,000
Sunnyvale Block 15 Apartments	55,000,000
Sycamore Street Commons / La Playa Apartments	30,476,000
Terracina at Whitney Ranch Apartments	78,000,000
The Gardens Apartments	20,000,000
The Lakes Apartments	40,000,000
The Lakes Apartments #2	3,000,000
The Lofts at Fort Visalia Apartments	26,000,000
The Meridian Apartments	52,500,000
The Monarch Apartments	25,850,000
The Parcel Apartments, Phase I	60,000,000
The Redwoods	30,000,000
The Utility Reform Network (TURN)	6,500,000
Three21 at Belmont Apartments	40,000,000
Tiburon Place Apartments	22,000,000
USFS Alturas	10,000,000
Valencia Garden Apartments (FKA Orange Corporate Yard)	20,000,000
Villa Oakland Apartments	40,000,000
Villa St. Joseph Apartments	30,000,000
Village at Madrone Apartments (FKA Monterey and Madrone)	115,000,000
Vista Sunrise II Apartments	22,000,000
Walnut Apartments	5,700,000
Woodward Family Apartments	20,000,000
Total	<u>\$ 4,902,592,671</u>

OTHER REPORT



**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
California Municipal Finance Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the California Municipal Finance Authority (CMFA) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the CMFA's basic financial statements, and have issued our report thereon dated March 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CMFA's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CMFA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CMFA's internal control.

A *deficiency in internal control* 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. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CMFA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

San Diego, California
March 30, 2023