CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

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December 21, 2023

CSCDA

CSCDC

CSCDA CIA

REGULAR MEETING AGENDA

December 21, 2023 at 2:00 PM

California State Association of Counties
1100 K Street, 1st Floor
Sacramento, CA 95814

Telephonic Locations:

12715 Lookout Circle
Nevada City, CA 95959

3252 Southern Hills Drive
Fairfield, CA 94534

3124 Chesapeake Bay Avenue
Davis, CA 95616

County of Kern
Treasurer-Tax Collectors Office
1115 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

709 Portwalk Place
Redwood City, CA 94065

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

Members of the public may also observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

____ Brian Moura, Chair
____ Jordan Kaufman, Vice Chair
____ Kevin O'Rourke, Secretary
____ Dan Mierzwa, Treasurer
____ Tim Snellings, Member
____ Brian Stiger, Member
____ Niroop Srivatsa, Member
____ Jim Erb, Alt. Member
____ Norman Coppinger, Alt. Member

2. Consideration of the Minutes of the December 7, 2023 Regular Meeting.

3. Consent Calendar

4. Public Comment.

B. AGENDA ITEMS

5. Conduct second reading and adoption of "Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following solely within and relating to Improvement Area No. 2 of the Community Facilities District established in respect of the Fancher Creek project."

6. Consideration of a resolution authorizing the issuance of commercial PACE bonds relating to the Hilton Tapestry hotel located at 1451 Rosecrans Street, City of San Diego, County of San Diego.

7. Consideration of a resolution authorizing the issuance of commercial and residential PACE bonds relating to the Townhomes on Nemo located at 9061 and 9065 Nemo Street, City of West Hollywood, County of Los Angeles.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

8. Executive Director Update.

9. Staff Updates.

10. Adjourn.

NEXT MEETING: Thursday, January 11, 2024 at 2:00 p.m.

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
CONSENT CALENDAR

1. Consideration of agreement with S&P Global Ratings related to the Statewide Community Infrastructure Program (SCIP).

December 21, 2023

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

December 7, 2023 at 2:00 pm

Commission Vice Chair Jordan Kaufman called the meeting to order at 2:02 pm.

1. Roll Call.

   Board members participating via teleconference: Jordan Kaufman, Kevin O'Rourke, Dan Mierzwa, Tim Snellings, Brian Stiger, and Norman Coppinger.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Irene deJong Cal Cities; Rob Pierce, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; Trisha Ortiz, Richards Watson & Gershon; and Nina Bronx, Orrick.

2. Consideration of the Minutes of the November 16, 2023 Regular Meeting.

   The Commission approved the November 16, 2023 Regular Meeting minutes.

   Motion to approve by T. Snellings. Second by D. Mierzwa. Unanimously approved by roll-call vote.

3. Consent Calendar

   The Commission approved the Consent Calendar.

   1. Consideration of County of San Luis Obispo PACE foreclosure resolution.

   Motion to approve by K. O'Rourke. Second by B. Stinger. Unanimously approved by roll-call vote.

4. Public Comment.

   There was no public comment.

5. Improvement Area No. 2 ("Improvement Area No. 2") of the California Statewide Communities Development Authority Community Facilities District No. 2022-08 (Fancher Creek), City of Fresno, County of Fresno, State of California

    a) Conduct proceedings to revise the boundaries of, and amend and restated the Rate and Method of Apportionment of the Special Tax for, Improvement Area No. 2 (collectively, the "Amendments"):

        i) Open public hearing.

        ii) Close public hearing.

    Motion to close the public hearing by D. Mierzwa. Second by T. Snellings. Unanimously approved by roll-call vote.

    b) Consideration of a resolution of change approving the Amendments and declaring election results.

    All ballots have been cast in favor, and no ballots have been cast opposed. The assessment districts are being formed for the purpose of financing certain improvement and/or development impact fees.

    c) Conduct special election regarding Improvement Area No. 2 and the Amendments.

    Motion to approve by K. O'Rourke. Second by N. Coppinger. Unanimously approved by roll-call vote.

    d) Consider a resolution declaring results of special mailed-ballot election within Improvement Area No. 2.

    Motion to approve by T. Snellings. Second by N. Coppinger. Unanimously approved by roll-call vote.

    e) Conduct first reading of the amended Ordinance levying a special tax for fiscal year 2024-2025 and following within Improvement Area No. 2.

    Motion to approve by K. O'Rourke. Second by N. Coppinger. Unanimously approved by roll-call vote.

6. Statewide Community Infrastructure Program ("SCIP") Series 2023F

    Conduct second reading and adoption of four Ordinances levying a special tax for fiscal year 2024-2025 and following solely within and relating to the Community Facilities District established in respect of the Sheldon Farms North Commercial project, the Northpointe/Ventris project and the Rosewood project and within Improvement Area No. 2 of the Community Facilities District established in respect of the Elliott Springs project, all with respect to SCIP Series 2023F or a future bond issuance.

    Motion to approve by D. Mierzwa. Second by T. Snellings. Unanimously approved by roll-call vote.

7. Executive Director Update.

    Executive Director Barna announced that she will be sending out a survey to determine Commission members' availability for an in-person meeting in Sacramento in January or February.

    She reported that the Spring meeting has been set to take place in Pasadena.

8. Staff Update.

    Staff announced that the application process for the CSCDA scholarships to the 2024 session of LGSI at Stanford is open until February.

9. Adjourn.

    The meeting was adjourned at 2:15 p.m.

    Submitted by: Sendy Young, CSAC Finance Corporation

NEXT MEETING: Thursday, December 21, 2023 at 2:00 p.m.

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 3

Agenda Report

DATE: December 21, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consent Calendar

SUMMARY:

1. Consideration of agreement with S&P Global Ratings related to the Statewide Community Infrastructure Program (SCIP).

CSCDA is currently requesting rating of the SCIP program with S&P Global Ratings. The cost will be $45,000, and payable out of available SCIP administration fees. CSCDA General Counsel has reviewed the agreement. Recommend approval

Documents:
https://www.dropbox.com/scl/fo/nhaczlew9vqjwv1ls5g1e/h?rlkey=glye0pw38kd4xeh82c74ltlzw&dl=0

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 5

Agenda Report

DATE: December 21, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Improvement Area No. 2 of Community Facilities District No. 2022-08 (Fancher Creek), City of Fresno, County of Fresno, State of California

PURPOSE: Conduct second reading and adoption of "Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following solely within and relating to Improvement Area No. 2 of the Community Facilities District established in respect of the Fancher Creek project."

EXECUTIVE SUMMARY:

On November 2, 2023 the Commission adopted a resolution to revise the boundary lines relating to Improvement Area 2. The property owners within Improvement Area 2 requested to amend and restate the rate and method of apportionment to remove the affordable housing properties due to a change in development plans. The amendment and restatement meet CSCDA Local Goals and Policies related to CFD financings.

The public hearing was held on December 7th, and the first reading of the ordinance was conducted. Today's action is to conduct the second reading and adopt the ordinance.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends the following:

1. Conduct second reading and adoption of "Ordinance Levying a Special Tax for Fiscal Year 2024-2025 and following solely within and relating to Improvement Area No. 2 of the Community Facilities District established in respect of the Fancher Creek project."

Documents:
https://www.dropbox.com/scl/fo/e00zhzt8zqj5fim8rvtz3/h?rlkey=uw3tov54sgdwr3uogdoxdoxxb&dl=0

CSCDA
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 6

Agenda Report

DATE:	December 21, 2023
TO:	CSCDA COMMISSIONERS
FROM:	Cathy Barna, Executive Director
PROJECT:	Monsaraz Tapestry Hotel – San Diego (Hotel)
PURPOSE:	Authorize the issuance of commercial PACE bonds to finance and refinance energy efficiency improvements, water efficiency improvements, and seismic strengthening improvements.
AMOUNT:	Not to Exceed $10,557,000

PROJECT ANALYSIS:

About the Project:

CSCDA will finance energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, including related soft costs, for a Hilton Tapestry hotel located at 1451 Rosecrans St., City of San Diego, County of San Diego known as Monsaraz. Monsaraz consists of 92 rooms, restaurant and terrace bar.

The financing will be federally taxable and be funded through the PACE assessment. See Attachment A for details of the improvements being financed, and a rendering of the facility.

Public Agency Approval:

TEFRA approval is not required as the financing falls into the category of PACE and not tax-exempt private activity bonds. The City of San Diego approved CSCDA levying assessments under PACE on September 19, 2012 (Resolution No. 307693).

Pursuant to Resolution No. 307693 Renew Financial and CSCDA are authorized as program administrators. Renew Financial is no longer providing commercial PACE services, therefore CSCDA will serve in the capacity of program administrator, and assign the bonds to CastleGreen PACE. The City of San Diego requires an indemnification by CSCDA and the PACE administrator which is incorporated into the documents for approval.

Estimated Sources and Uses:

Sources of Funds:	
Par Amount of Bonds:	$10,557,000.00
Total Sources:	$10,557,000.00

Use of Funds:	
Improvement Funds:	$9,479,500.66
Capitalized Interest Fund:	$ 594,734.46
Costs of Issuance and Admin Fees:	$ 482,764.88
Total Uses:	$10,557,000.00

Finance Partners:

PACE Counsel: Orrick Herrington & Sutcliffe, LLP , Sacramento, California

PACE Assessment Administrator: DTA Finance, Newport Beach, California

PACE Bond Purchaser: CastleGreen PACE, Irvington, New York

Finance Terms:

Term: 27 years; Fixed rate.

Structure: Private Placement

Estimated Closing: December 22, 2023

CSCDA Policy Compliance:

The financing complies with CSCDA's general, issuance and PACE policies.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approves the issuance of the Bonds and the financing of the Project;

2. Approves all necessary actions and documents in connection with the financing or refinancing; and

3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Documents:
https://www.dropbox.com/scl/fo/pm8evcoidi0uczvrjwu26/h?rlkey=zkynzpuwodtkwvarecu1cxmkd&dl=0

ATTACHMENT A

EEM #	Measure Type	Estimated Useful Life (yrs.)	Remaining EUL (yrs.)
1	Envelope - Wall Upgrade	30	27.5
2	Envelope - Roof Upgrade	30	27.5
3	Envelope - Window Upgrade	30	27.5
4	Lighting - Interior LEDs	18	15.5
5	Lighting - Exterior LEDs	18	15.5
6	HVAC - High Efficiency Air Conditioners	20	17.5
7	DWH - Low Flow Fixtures	20	17.5
8	DHW - Heater	20	17.5
9	Seismic Reinforcements	50	47.5
	Weighted Average EUL	**29.3**	**26.8**

EEM #	Measure	PACE Applicable Hard Cost
1	Envelope - Wall Upgrade	$891,360
2	Envelope - Roof Upgrade	$1,198,286
3	Envelope - Window Upgrade	$777,193
4	Lighting - Interior LEDs	$310,458
5	Lighting - Exterior LEDs	$104,499
6	HVAC - High Efficiency Air Conditioners	$1,855,199
7	DWH - Low Flow Fixtures	$1,150,858
8	DHW - Heater	$500,556
9	Seismic Reinforcements	$1,723,584
	Total Applicable PACE Hard Costs	**$8,511,993**

Total Applicable PACE Costs	
PACE Applicable Hard Cost	$8,511,993
PACE Applicable Soft Cost	$968,301
Total PACE Applicable Costs	**$9,480,295**

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

Agenda Item No. 7

Agenda Report

DATE: December 21, 2023

TO: CSCDA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PROJECT: Nemo Townhomes – West Hollywood

PURPOSE: Authorize the issuance of commercial and residential PACE bonds to finance and refinance energy efficiency improvements, water efficiency improvements, and seismic strengthening improvements.

AMOUNT: Not to Exceed $3,500,000

PROJECT ANALYSIS:

About the Project:

CSCDA will finance energy efficiency improvements, water efficiency improvements, seismic strengthening improvements, including related soft costs, for Townhomes on Nemo (the "Project"). Located in West Hollywood, the Project is a proposed 3-unit market rate multifamily property with 626 square feet of ground floor commercial space, with an estimated delivery of January, 2025. The site currently has two vacant commercial buildings that are slated for demolition, and has been under the same ownership for approximately 4 decades. The entitlements and plans for the proposed development have been approved by the City of West Hollywood.

There is a lack of townhouse-style units in the local area which will increase the overall appeal of the Project. PACE Equity is set to fund $2,700,000 in direct construction costs, and will partner with CSCDA's residential PACE provider Home Run Financing since the project is under four units.

The financing will be federally taxable and be funded through the PACE assessment. See Attachment A for a rendering of the facility.

Public Agency Approval:

TEFRA approval is not required as the financing falls into the category of PACE and not tax-exempt private activity bonds. The City of West Hollywood authorized the CSCDA Open PACE program by Resolution No.16-4862.

Estimated Sources and Uses:

Sources of Funds:	
Par Amount of Bonds:	$3,269,660.00
Total Sources:	$3,269,660.00

Use of Funds:	
Improvement Funds:	$2,700,000.00
Capitalized Interest:	$ 440,047.00
Costs of Issuance and Admin Fees:	$ 129,613.00
Total Uses:	$3,269,660.00

Finance Partners:

PACE Counsel: Jones Hall PLC, San Francisco, California

PACE Assessment Administrator: DTA Finance, Newport Beach, California

PACE Bond Purchaser/Administrator: PACE Equity and Home Run Financing

Finance Terms:

Term: 32 years; Fixed rate.

Structure: Private Placement

Estimated Closing: December 22, 2023

CSCDA Policy Compliance:

The financing complies with CSCDA's general, issuance and PACE policies.

COMMISSION ACTION RECOMMENDED BY THE EXECUTIVE DIRECTOR:

CSCDA's Executive Director recommends that the Commission adopt the resolution, which:

1. Approves the issuance of the Bonds and the financing of the Project;

2. Approves all necessary actions and documents in connection with the financing or refinancing; and

3. Authorizes any member of the Commission or Authorized Signatory to sign all necessary documents.

Documents:
https://www.dropbox.com/scl/fo/xaw9p29811dn8etzfvdmb/h?rlkey=wrbf9khn525j7ekp0k2ntsh85&dl=0

ATTACHMENT A

MEETING AGENDA

December 21, 2023
2:00 PM or upon adjournment of the CSCDA Meeting

California State Association of Counties
1100 K Street, 1st Floor
Sacramento, CA 95814

Telephonic Locations:

12715 Lookout Circle
Nevada City, CA 95959

3252 Southern Hills Drive
Fairfield, CA 94534

3124 Chesapeake Bay Avenue
Davis, CA 95616

County of Kern
Treasurer-Tax Collectors Office
1115 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

709 Portwalk Place
Redwood City, CA 94065

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

Members of the public may also observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070.

1. Roll Call.

____ Brian Moura, President
____ Jordan Kaufman, Vice President
____ Kevin O'Rourke, Secretary
____ Dan Mierzwa, Treasurer
____ Tim Snellings, Member
____ Brian Stiger, Member
____ Niroop Srivatsa, Member
____ Jim Erb, Alt. Member
____ Norman Coppinger, Alt. Member

2. Consideration of the Minutes of the December 7, 2023 Meeting.

3. Public Comment.

4. Consideration of audited financial statements for fiscal years ending June 30, 2022 and

June 30, 2023.

5. Executive Director Update.

6. Staff Updates.

7. Adjourn.

MINUTES

REGULAR MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

December 7, 2023
2:00 p.m. or upon adjournment of the CSCDA Meeting

Board Vice President Jordan Kaufman called the meeting to order at 2:15 p.m.

1. Roll Call.

   Board members participating via teleconference: Jordan Kaufman, Kevin O'Rourke, Dan Mierzwa, Tim Snellings, Brian Stiger, and Norman Coppinger.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Irene deJong Cal Cities; Rob Pierce, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; Trisha Ortiz, Richards Watson & Gershon; and Nina Bronx, Orrick.

2. Consideration the Minutes of the November 2, 2023 Regular Meeting.

   The Board of Directors approved the Minutes of the November 2, 2023.

   Motion to approve by D. Mierzwa. Second by N. Coppinger. Unanimously approved by roll-call vote.

3. Public Comment.

   There was no public comment.

4. Consider resolution approving the filing of an application requesting an allocation of New Tax Credits.

   Motion to approve by N. Coppinger. Second by K. O'Rourke. Unanimously approved by roll-call vote.

5. Executive Director Update.

   Executive Director Barna had no update.

6. Staff Update.

Staff had no update.

7. Adjourn.

   The meeting was adjourned at 2:18 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION

Agenda Item No. 4

Agenda Report

DATE: December 21, 2023

TO: CSCDC BOARD OF DIRECTORS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of CSCDC audited financial statements for fiscal years ending June 30, 2022 and June 30, 2023

BACKGROUND AND SUMMARY:

Attached for the consideration of the Board are the CSCDC audited financial statements for fiscal year ending June 30, 2022 and June 30, 2023. Novogradac & Company, LLP prepared the reports working with the League of California Cities and CSCDC staff. Highlights from the audited financial statements include the following:

1. **Closing Fees –** CSCDC received $1,525,000 and $2,325,000, respectively in 2022 and 2023, in closing fees from NMTC transactions.
2. **Asset Management Fees –** CSCDC received $468,709 and $587,117, respectively in 2022 and 2023, in asset management fees from previously closed NMTC transactions.
3. **Expenses –** CSCDC incurred a total of $2,769,611 and $1,922,706, respectively in 2022 and 2023, in expenses, comprised primarily of sponsorship fees, legal, accounting, asset management and other professional fees.
4. **Cash Flows –** CSCDC's cash positions were $331,710 and $415,489 at the end of 2022 and 2023, respectively.

The audit report provides more detail on expense allocation, including sponsorship fees and the NMTC awards administered.

RECOMMENDED ACTION:

CSCDC's Executive Director recommends approval of the 2022 and 2023 audited financial statements.

California Statewide Communities Development Corporation

Financial Statements with Report of Independent Auditors

For the years ended June 30, 2023 and 2022

Report of Independent Auditors

To the Board of Directors of
California Statewide Communities Development Corporation:

Opinion

We have audited the financial statements of California Statewide Communities Development Corporation, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Statewide Communities Development Corporation as of June 30, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Statewide Communities Development Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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 California Statewide Communities Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted 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, including omissions, 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 generally accepted auditing standards, 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 California Statewide Communities Development Corporation'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 California Statewide Communities Development Corporation'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.

Novogradac & Company LLP

Dover, Ohio
December 14, 2023

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 415,489	$ 331,710
Accounts receivable	1,545	174
Due from related parties	121,567	8,444
Investments in Community Development Entities	14,010	9,521
Total assets	$ 552,611	$ 349,849
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 108,153	$ 46,868
Reservation fees payable	60,000	60,000
Deferred income	-	15,000
Total liabilities	168,153	121,868
Net assets without donor restrictions	384,458	227,981
Total liabilities and net assets	$ 552,611	$ 349,849

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the years ended June 30, 2023 and 2022

	2023	2022
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Closing fee income	$ 2,325,000	$ 1,525,000
Asset management fee income	587,117	468,709
Other income	13,971	280
Total revenue and support	2,926,088	1,993,989
EXPENDITURES		
Program services	2,697,411	1,867,559
Administrative and support	72,200	55,147
Total expenditures	2,769,611	1,922,706
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	156,477	71,283
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	227,981	156,698
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	$ 384,458	$ 227,981

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2023 and 2022

	2023		
EXPENDITURES	Program Services	Administrative and Support	Total
Sponsor fees	$ 1,997,142	$ -	$ 1,997,142
Professional fees	700,269	48,500	748,769
CA taxes and filing fees	-	17,300	17,300
Miscellaneous expenses	-	6,400	6,400
Total expenditures	$ 2,697,411	$ 72,200	$ 2,769,611

	2022		
EXPENDITURES	Program Services	Administrative and Support	Total
Sponsor fees	$ 1,375,204	$ -	$ 1,375,204
Professional fees	492,355	44,050	536,405
CA taxes and filing fees	-	8,197	8,197
Miscellaneous expenses	-	2,900	2,900
Total expenditures	$ 1,867,559	$ 55,147	$ 1,922,706

See accompanying notes to financial statements

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets without donor restrictions	$ 156,477	$ 71,283
Adjustments to reconcile increase in net assets without donor restrictions to net cash provided by operating activities:		
Increase in due from related parties	(113,123)	(8,444)
Increase in accounts receivable	(1,371)	(174)
Increase (decrease) in accounts payable and accrued expenses	61,285	(104,307)
Increase in reservation fees payable	-	60,000
Decrease in deferred income	(15,000)	(14,000)
Net cash provided by operating activities	88,268	4,358
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investments in Community Development Entities	(4,489)	515
NET INCREASE IN CASH AND CASH EQUIVALENTS	83,779	4,873
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	331,710	326,837
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 415,489	$ 331,710

See accompanying notes to financial statements

NOTE 1 – ORGANIZATION

California Statewide Communities Development Corporation (the "Organization"), a California nonprofit public benefit corporation, was formed on May 6, 2011 to qualify as a Community Development Entity (CDE) and to engage in such activities which qualify for New Markets Tax Credits (NMTC) pursuant to Section 45D of the Internal Revenue Code.

The Organization has been certified by the Community Development Financial Institutions Fund of the U.S. Department of Treasury ("CDFI Fund") as a CDE. As a CDE, the Organization's primary mission is to invest in Subsidiary Allocatees ("Limited Liability Companies") that provide loans, equity investments, or financial services to qualified businesses in Low-Income Communities in the Organization's service area of California. As of June 30, 2023 and 2022, the Organization has received $253,000,000 and $198,000,000, respectively, of NMTC investment authority from the CDFI Fund.

The NMTC program provides investors with credits against federal income taxes they incur. NMTCs are passed through to an investor for each Qualified Equity Investment (QEI) made in a CDE certified as such by the CDFI Fund. The investor receives credits over a seven-year period for each QEI, equal to 39% of the QEI amount (5% during each of years one through three and 6% during each of years four through seven). The CDEs use the QEI proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICBs). QLICIs include loans to or equity investments in QALICBs or other CDEs. CDEs must comply with various federal requirements or investors risk recapture of tax credits plus penalties and interest thereon.

The Organization is governed by a Board of Directors. As a not-for-profit corporation exempt from Federal income tax under Section 501(c)(4) of the Internal Revenue Code, and therefore without tax liability, the Organization cannot itself use NMTCs. In order to utilize the allocation received by the Organization from the CDFI Fund, the Board of Directors of the Organization suballocates NMTC investment authority to various Limited Liability Companies, which are CDEs organized and managed by the Organization. The Organization seeks to suballocate NMTC investment authority to CDEs that provide investments in projects that accomplish goals consistent with the mission of the Organization and in accordance with certain terms agreed to in the allocation agreements with the CDFI Fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("US GAAP").

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization's net assets are not subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Concentration of Credit Risk
The Organization maintains cash in banks which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Income Taxes
The Organization is a not-for-profit organization exempt from income tax under Section 501(c)(4) of the Internal Revenue Code and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

The preparation of financial statements in accordance with US GAAP requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. Management has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state taxing authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state taxing authorities were recorded in the accompanying financial statements.

Revenue Recognition
The Organization earns revenue by providing origination, underwriting, asset management, dissolution, and other services to the CDEs and QALICBs which are governed by the related operating and fee agreements. Sub-allocation, origination, and underwriting fees are recognized when QEIs are closed and are recorded as Closing Fee Income on the statement of activities and changes in net assets. Reservation fees for projects are recorded as a liability when received. A reservation fee would be included as revenue if the reservation of NMTC allocation is withdrawn. As of June 30, 2023 and 2022, there have been no instances of non-refundable reservation fees. Asset management fees are recognized as income as the Organization provides the services (generally over a seven-year period).

Investments in Community Development Entities – Equity Method
The Organization uses the equity method of accounting for its investments in the CDEs in which the Organization serves as the managing member, as the Organization has significant influence over, but not control of the major operating and financial policies of the CDEs. Under this method, the Organization's share of

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in Community Development Entities – Equity Method (continued)
income, losses, and distributions incurred by the CDEs is recognized as an increase or reduction of the carrying value of the investments. Since the Organization has no obligation to fund liabilities beyond its investment, including loans and advances, the carrying value of the investments may not be reduced below zero. To the extent that equity losses are incurred when the Organization's carrying value of the investments has reached zero, losses will be suspended and applied against future income.

The Organization has adopted the nature of distributions approach for the classification of distributions received from equity method investees in the statement of cash flows. In accordance with this approach, distributions received from the CDEs are classified as either operating or investing cash inflows based on the nature of the activities of the CDE that generated the distributions. Returns on investments are classified as operating activities in the statement of cash flows, while returns of investment are classified as investing activities.

A list of the CDEs that are recorded under the equity method and the Organization's ownership percentages in these CDEs is disclosed in Note 4.

Use of Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents
The Organization considers all short-term financial instruments with a maturity of three months or less at the date of acquisition to be cash equivalents.

Accounts receivable
Management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Functional Allocation of Expenses
The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and administrative and support services benefited. Such allocations are determined by management on an equitable basis. There are no fundraising costs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)
The expenses that are allocated include the following:

Expenses	Method of Allocation
Sponsor fees	Time and Effort
Professional fees	Full Time Equivalent
CA taxes and filing fees	Time and Effort
Miscellaneous expenses	Time and Effort

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at June 30, 2023 and 2022:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	$ 415,489	$ 331,710
Due from related parties	121,567	8,444
Accounts receivable	1,545	174
Financial assets available to meet general expenditures over the next twelve months	$ 538,601	$ 340,328

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $100,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

NOTE 4 – INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES

The Organization owns an interest in the following CDEs as of June 30, 2023 and 2022, which were formed for the purpose of receiving sub-allocations of NMTC authority from the Organization:

CDE	2023	2022
CSCDC 9 LLC	0.01%	0.01%
CSCDC 10 LLC	0.01%	0.01%
CSCDC 11 LLC	0.01%	0.01%
CSCDC 12 LLC	0.01%	0.01%
CSCDC 13 LLC	0.01%	0.01%
CSCDC 14 LLC	0.01%	0.01%
CSCDC 15 LLC	0.01%	0.01%
CSCDC 16 LLC	0.01%	0.01%
CSCDC 17 LLC	0.01%	0.01%
CSCDC 18 LLC	0.01%	0.01%
CSCDC 19 LLC	0.01%	0.01%
CSCDC 20 LLC	0.01%	0.01%
CSCDC 21 LLC	0.01%	0.00%

The investments in the CDEs at June 30, 2023 and 2022 totaled $14,010 and $9,521, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

Asset Management Fee Income

The Organization earns quarterly asset management fee income from each of the CDEs, prorated for partial quarters, as compensation for the ongoing administration and management of the CDEs (the “Asset Management Fee Income”). In addition, the CDEs incur certain expenses such as tax preparation fees, corporate filing fees, annual state franchise fees, etc. as discussed in the Fee and Expense Agreements between the QALICBs, CDEs, and the Organization. The Organization pays these expenses on behalf of the CDEs. Pursuant to each of the CDEs’ fee and expense agreements, the Organization is to be reimbursed for these costs (the “Reimbursement Income”). The Asset Management Fee Income and Reimbursement Income are collectively referred to and recorded as Asset Management Fee Income on the statement of activities and changes in net assets. For the years ended June 30, 2023 and 2022, the total Asset Management Fee Income earned from the CDEs was $587,117 and $468,709, respectively. As of June 30, 2023 and 2022, total Asset Management Fee Income due from the CDEs was $121,567 and $8,444, respectively. At June 30, 2023 and 2022, the CDEs prepaid $0 and $15,000, respectively, of Asset Management Fee Income to the Organization and has been included in deferred income on the accompanying financial statements.

NOTE 6 – SPONSOR FEES

The Organization entered into a Services Agreement with Bridge Strategic Partners LLC (“BSP”). Pursuant to the Services Agreement with BSP, the Organization is to pay BSP a sponsor fee for NMTC and management services rendered. The sponsor fee is payable from net proceeds of closing fees received from each CDE and QALICB, less third party expenses as a result of closing each NMTC transaction. The Organization also pays California State Association of Counties (“CSAC”) and League of California Cities (“LCC”) for similar services

NOTE 6 – SPONSOR FEES (continued)

provided. The sponsor fee is allocated among CSAC, LCC, and BSP (collectively, the “Sponsors”) 20%, 20% and 60%, respectively, for upfront fees and 30%, 30% and 40%, respectively for residual administration fees. For the years ended June 30, 2023 and 2022, the Organization incurred $1,799,364 and $1,214,636, respectively, of sponsor fees. As of June 30, 2023 and 2022, $0 of sponsor fees remained payable to the Sponsors.

Pursuant to the New Markets Tax Credit Services Agreement, New Markets Support Company, LLC (“NMSC”) is to provide management services including ongoing accounting, compliance, and administrative services for each of the CDEs discussed in Note 4. In consideration of the services to be provided by NMSC, the Organization is to pay BSP, who in turn pays NMSC a fee each quarter for each CDE, pro-rated for partial calendar quarters. For the years ended June 30, 2023 and 2022, the Organization incurred $197,778 and $160,568, respectively, of additional sponsor fees. At June 30, 2023 and 2022, the amount payable to NMSC was $106,278 and $46,193, respectively.

NOTE 7 – NMTC AWARDS ADMINISTERED

Out of $253M of NMTC allocation authority awarded to the Organization, as of June 30, 2023, $220M was invested in twenty-one CDEs and twenty-one respective projects with $33M of allocation remaining. The following tables show the total allocation received, total QEIs closed, and total allocation remaining by round for the years ended June 30, 2023 and 2022, respectively:

	Projects	Allocation received	QEIs closed before 6/30/2022	QEIs closed during 7/1/2022 through 6/30/2023	Total QEIs closed through June 30, 2023	Allocation remaining as of June 23, 2023
Round 10	4	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000	$ -
Round 11	4	38,000,000	38,000,000	-	38,000,000	-
Round 13	5	70,000,000	70,000,000	-	70,000,000	-
Round 17	6	55,000,000	30,500,000	24,500,000	55,000,000	-
Round 18	2	55,000,000	-	22,000,000	22,000,000	33,000,000
Total	21	$ 253,000,000	$ 173,500,000	$ 46,500,000	$ 220,000,000	$ 33,000,000

	Projects	Allocation received	QEIs closed before 6/30/2021	QEIs closed during 7/1/2021 through 6/30/2022	Total QEIs closed through June 30, 2022	Allocation remaining as of June 23, 2022
Round 10	4	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000	$ -
Round 11	4	38,000,000	38,000,000	-	38,000,000	-
Round 13	5	70,000,000	70,000,000	-	70,000,000	-
Round 17	6	55,000,000	-	30,500,000	30,500,000	24,500,000
Total	19	$ 198,000,000	$ 143,000,000	$ 30,500,000	$ 173,500,000	$ 24,500,000

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 14, 2023, which is the date the financial statements were available to be issued and there are no subsequent events requiring disclosure.

REGULAR MEETING AGENDA
December 21, 2023
2:00 PM or upon adjournment of the CSCDA meeting

California State Association of Counties
1100 K Street, 1st Floor
Sacramento, CA 95814

Telephonic Locations:

12715 Lookout Circle
Nevada City, CA 95959

3252 Southern Hills Drive
Fairfield, CA 94534

3124 Chesapeake Bay Avenue
Davis, CA 95616

County of Kern
Treasurer-Tax Collectors Office
1115 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301

709 Portwalk Place
Redwood City, CA 94065

County of Yuba
915 8th Street, Suite 103
Marysville, CA 95901

Members of the public may also observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070.

1. Roll Call.

    ____ Brian Moura, Chair
    ____ Jordan Kaufman, Vice Chair
    ____ Kevin O'Rourke, Secretary
    ____ Dan Mierzwa, Treasurer
    ____ Tim Snellings, Member
    ____ Brian Stiger, Member
    ____ Niroop Srivatsa, Member
    ____ Jim Erb, Alt. Member
    ____ Norman Coppinger, Alt. Member

2. Consideration of the Minutes of the September 7, 2023 Regular Meeting.

3. Public Comment.

4. Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2023.

5. Executive Director Update.

6. Staff Updates.

7. Adjourn

MINUTES

REGULAR MEETING OF THE CSCDA COMMUNITY IMPROVEMENT AUTHORITY

September 7, 2023
2:00 PM or upon adjournment of the CSCDA meeting

Commission Chair Brian Moura called the meeting to order at 2:20 pm.

1. Roll Call.

   Board members participating via teleconference: Brian Moura, Jordan Kaufman, Niroop Srivatsa, Jim Erb, and Norman Coppinger.

   Others participating via teleconference: Cathy Barna, CSCDA Executive Director; James Hamill, Bridge Strategic Partners; Irene de Jong, Cal Cities; Perry Stottlemeyer, Cal Cities; Rob Pierce, CSAC Finance Corporation; Sendy Young, CSAC Finance Corporation; and Nina Brox, Orrick.

2. Consideration the Minutes of the July 6, 2023 Regular Meeting.

   The Commission approved the Minutes of the July 6, 2023 Regular Meeting.

   Motion to approve by J. Kaufman. Second by N. Srivatsa. Unanimously approved by roll-call vote.

3. Consent Calendar

   The Commission approved the Consent Calendar.

   1. Ratification of Written Direction to Bond Trustee Regarding Subordination of Authority's Annual Fee for CTR City Anaheim Project.

   Motion to approve by J. Erb. Second by N. Coppinger. Unanimously approved by roll-call vote.

4. Public Comment.

   There was no public comment.

5. Executive Director Update.

Executive Director Barna had no update.

6. Staff Update.

   Staff had no update.

7. Adjourn.

   The meeting was adjourned at 2:22 p.m.

   Submitted by: Sendy Young, CSAC Finance Corporation

CSCDA
COMMUNITY IMPROVEMENT AUTHORITY

Agenda Item No. 4

Agenda Report

DATE: December 21, 2023

TO: CSCDA CIA COMMISSIONERS

FROM: Cathy Barna, Executive Director

PURPOSE: Consideration of Audited Financial Statements for Fiscal Year Ending June 30, 2023.

BACKGROUND AND SUMMARY:

Attached for the consideration of the Commission are the CSCDA CIA audited financial statements for the Fiscal Year Ended June 30, 2023. Baker Tilly US, LLP prepared the reports working with the League of California Cities and CSCDA CIA staff. Highlights from the audited financial statements include the following:

1. **Bonds Issued –** CSCDA CIA did not issue any bonds during the fiscal year.

2. **Bond Issuance Fees –** CSCDA CIA collected $0 in new bond issuance fees.

3. **Bond Administrative Fees –** CSCDA CIA collected $4.6 million in bond administration fees.

4. **Cash and Investments –** CSCDA CIA's cash and investments are held in money market funds and US Treasury Obligations.

5. **Net Position –** The negative net position was again expected as all properties are 100% financed along with extensive reserves and capitalized interest. Depreciation also contributes to the negative net position.

RECOMMENDED ACTION:

CSCDA CIA's Executive Director recommends approval of the Audited Financial Statement for the Fiscal Year Ended June 30, 2023.

CSCDA Community Improvement Authority

Financial Statements and
Supplementary Information

June 30, 2023 and 2022

bakertilly

Independent Auditors' Report

To the Board of Commissioners of
CSCDA Community Improvement Authority

Opinion

We have audited the accompanying financial statements of the CSCDA Community Improvement Authority (Authority), as of and for the year ended June 30, 2023 and for the period from inception to June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2023 and 2022, and the changes in financial position and cash flows for the year ended June 30, 2023 and for the period from inception to June 30, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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 Authority'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.

Auditors' 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 auditors' 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 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 Authority'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 Authority'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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The divisional statements of net position as of June 30, 2023 and 2022 and the divisional statements of revenues, expenses, and changes in net position for the year ended June 30, 2023 and for the period from inception to June 30, 2022 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 12, 2023

CSCDA Community Improvement Authority

Statements of Net Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash	$ 18,049,825	$ 16,925,592
Restricted cash	425,145,351	451,009,224
Tenant receivables, net	1,750,113	4,512,984
Other receivables	234,147	3,095,307
Prepaid expenses and other assets	2,656,055	2,914,725
Total current assets	447,835,491	478,457,832
Noncurrent Assets		
Intangible assets, net	2,146,919	3,369,607
Operating right-of-use asset	66,827,620	-
Capital assets:		
Construction-in-progress	3,697,388	-
Land	743,369,908	743,369,908
Building and building improvements	3,283,034,910	3,279,876,172
Furniture, fixtures and equipment	26,407,666	24,334,009
Tenant improvements	1,446,185	1,209,135
Less accumulated depreciation	(233,313,135)	(108,690,549)
Total noncurrent assets	3,893,617,461	3,943,468,282
Total assets	4,341,452,952	4,421,926,114
Liabilities and Net Position		
Current Liabilities		
Accounts payable and accrued expenses	72,135,076	66,463,512
Prepaid rent	1,480,200	1,598,152
Security deposits	7,087,312	6,625,011
Total current liabilities	80,702,588	74,686,675
Noncurrent Liabilities		
Ground lease liability	68,468,782	-
Bonds payable, net	4,654,408,210	4,655,423,005
Total noncurrent liabilities	4,722,876,992	4,655,423,005
Total liabilities	4,803,579,580	4,730,109,680
Net Position		
Net investment in capital assets	(760,790,749)	(711,954,723)
Restricted for reserve fund	110,406	164,041
Restricted for debt service	357,308,323	389,013,679
Unrestricted	(58,754,608)	14,593,437
Total net position (deficit)	$ (462,126,628)	$ (308,183,566)

See notes to financial statements

CSCDA Community Improvement Authority

Statements of Revenues, Expenses and Change in Net Position
Year Ended June 30, 2023 and for the Period From Inception to June 30, 2022

	2023	2022
Operating Revenues		
Net rental revenues	$ 228,020,666	$ 197,846,195
Operating Expenses		
Net operating expenses	211,324,343	274,092,719
Operating income (loss)	16,696,323	(76,246,524)
Nonoperating Revenues (Expenses)		
Interest income	8,745,477	3,844,991
Interest expense	(179,384,862)	(152,653,283)
Bond issuance costs	-	(83,128,750)
Total nonoperating loss	(170,639,385)	(231,937,042)
Change in net position	(153,943,062)	(308,183,566)
Net Position (Deficit), Beginning	(308,183,566)	-
Net Position (Deficit), Ending	$ (462,126,628)	$ (308,183,566)

See notes to financial statements

CSCDA Community Improvement Authority

Statements of Cash Flows
Year Ended June 30, 2023 and for the Period From Inception to June 30, 2022

	2023	2022
Cash Flows From Operating Activities		
Cash received from tenants	$ 233,989,046	$ 198,461,067
Cash paid to suppliers and service providers	(79,444,130)	(111,646,986)
Net cash flows from operating activities	154,544,916	86,814,081
Cash Flows From Investing Activities		
Interest income	8,745,477	3,844,991
Net cash flows from investing activities	8,745,477	3,844,991
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(8,228,130)	(4,048,789,224)
Purchase of intangible assets	(76,476)	(3,369,607)
Proceeds from bond issuance	-	4,612,595,115
Interest payments on long-term debt	(174,640,427)	(97,446,790)
Payments of debt principal	(5,085,000)	(2,585,000)
Payments of debt issuance costs	-	(83,128,750)
Net cash flows from capital and related financing activities	(188,030,033)	377,275,744
Net change in cash and cash equivalents	(24,739,640)	467,934,816
Cash and Cash Equivalents, Beginning	467,934,816	-
Cash and Cash Equivalents, Ending	$ 443,195,176	$ 467,934,816

See notes to financial statements

Statements of Cash Flows
Year Ended June 30, 2023 and for the Period From Inception to June 30, 2022

	2023	2022
Schedule Reconciling Operating Income (Loss) to Net Cash and Cash Equivalents		
Cash Received From Customers		
Operating income (loss)	$ 16,696,323	$ (76,246,524)
Adjustments to reconcile net operating income (loss) to net cash, cash equivalents and restricted cash from operating activities:		
Depreciation and amortization expense	125,949,979	154,103,439
Changes in assets and liabilities		
Tenant receivables, net	2,762,871	(4,512,984)
Accounts receivable	2,861,160	(3,095,307)
Prepaid expenses and other assets	258,670	(2,914,725)
Accounts payable and other accrued expenses	5,671,564	11,257,019
Prepaid rent	(117,952)	1,598,152
Tenant security deposits	462,301	6,625,011
Total adjustments	11,898,614	8,957,166
Net cash, cash equivalents and restricted cash from operating activities	$ 154,544,916	$ 86,814,081
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Cash	$ 18,049,825	$ 16,925,592
Restricted cash	425,145,351	451,009,224
Cash and Cash Equivalents, Ending	$ 443,195,176	$ 467,934,816
Supplemental Cash Flow Information		
Accrued interest on bonds payable added to principal	$ 60,639,310	$ 55,206,493
Amortization of discounts/premiums	906,606	(217,623)
Accretion of capital appreciation bonds	3,163,599	899,507
Change in accounts payable and accrued expenses for building improvements, furniture, fixtures and equipment and related construction-in-progress	938,703	-
Ground Lease put into service	66,827,620	-

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Organization

CSCDA Community Improvement Authority (the Authority or CSCDA CIA) is a political subdivision of the State of California established by Yolo County and the City of Woodland, California under the Joint Exercise of Powers Act. The Authority was formed October 6, 2020. CSCDA CIA issues governmental purpose bonds for the purpose of financing projects that provide, preserve and support affordable local housing for low-income, moderate-income and middle-income families and individuals.

CSCDA CIA is governed by a seven-member commission. CSCDA CIA's Board of Commissioners (the Board or Commission) is appointed by the California State Association of Counties (CSAC) and the League of California Cities (Cal Cities) (see Note 7 - Related Parties), which together represent the interests of counties and cities throughout the State. This Commission is required by the joint powers agreement to establish public benefit finance criteria and to evaluate every submitted project on the basis of benefit provided, after receiving the requisite local approval. No project can proceed without the approval of the commissioners which ensures the preservation of both city and county interests. The administration of CSCDA CIA is managed by an Executive Director engaged under contract by the Commission. CSCDA CIA is comprised of the following divisions:

Core Bond Issuance Operations Division (CSCDA Core)

This division issues bonds for the various other divisions of the Authority. This division is charged with governance of the Authority and conducts various management-related activities. Additionally, this division collects bond issuance fees and bond administration fees from the various projects under the Affordable Housing Asset Ownership Division. These fees are eliminated upon consolidation of all divisions and projects.

Affordable Housing Asset Ownership Division (Asset Ownership Program)

This division is comprised of the various housing projects (the Projects) owned by the Authority. The Authority outsources operational management functions of these projects to private companies under long-term contracts for public benefit uses. The various projects operate independently of one another. Bonds issued for each project are specific to that project to which they are affixed and do not have interest in the other projects. All of the bonds issued are pursuant to Trust Indentures by and between CSCDA CIA and Wilmington Trust National Association (the Trustee of the projects). The projects owned by the Authority in this division are as follows:

Renaissance at City Center in Carson, CA (Renaissance) - On December 22, 2020, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2020. The bonds, with an aggregate principal amount of $70,675,000, were issued to finance the acquisition of a mixed-use property, comprising of 150 apartments and commercial space in Carson, California.

Millennium South Bay Apartments in Hawthorne, CA (Millennium) - On December 1, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The bonds, with an aggregate principal amount of $188,160,000, were issued to finance the acquisition of a 230-unit multi-family housing complex located in Hawthorne, California.

Monterey Station Apartments in Pomona, CA (Monterey) - On December 9, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The bonds, with an aggregate principal amount of $175,260,000 were issued to finance the acquisition of a 349-unit multi-family housing complex located in Pomona, California.

The Crescent in West Hollywood, CA (Crescent) - On August 31, 2022, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2022. The Bonds, with an aggregate principal amount of $111,915,000, were issued to finance the acquisition of a 130-unit multi-family housing complex located in West Hollywood, California.

Union South Bay in Carson, CA (Union) - On June 9, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $215,685,000, were issued to finance the acquisition of a 357-unit multi-family housing complex located in Carson, California.

The Link in Glendale, CA (Link) - On June 16, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $95,545,000, were issued to finance the acquisition of a mixed-use property, comprising 143 apartments and commercial space, located in Glendale, California.

Parallel Apartments in Anaheim, CA (Parallel) - On February 9, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $181,010,000, were issued to finance the acquisition of a 386-unit multi-family housing complex located in Anaheim, California.

Jefferson Platinum Triangle in Anaheim, CA (Jefferson) - On February 26, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $195,965,000, were issued to finance the acquisition of a 400-unit multi-family housing complex located in Anaheim, California.

Oceanaire Apartments in Long Beach, CA (Oceanaire) - On March 25, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $135,730,000, were issued to finance the acquisition of a 216-unit multi-family housing complex located in Long Beach, California.

Altana Apartments in Glendale, CA (Altana) - On April 21, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $339,400,000, were issued to finance the acquisition of a 507-unit multi-family housing complex located in Glendale, California.

Residences at Westgate I & II and The Hudson in Pasadena, CA (Westgate I & II and Hudson) - On June 15, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $385,985,000, were issued to finance the acquisition of two properties: a mixed-use property comprising 340 residential units and nine commercial units and a mixed-use property comprising 173 residential units and five commercial units, located in Pasadena, California.

Cameo Apartments and Garrison Apartments in Orange, CA (Cameo and Garrison) - On September 21, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $240,010,000, were issued to finance the acquisition of two properties: a 262-unit multi-family housing complex and a 94-unit multi-family housing complex, located in Orange, California.

1818 Platinum Triangle Apartments in Anaheim, CA (Platinum) - On October 20, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $157,390,000, were issued to finance the acquisition of a 265-unit multi-family housing complex located in Anaheim, California.

THEO in Pasadena, CA (THEO) - On November 4, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $81,065,000, were issued to finance the acquisition of a 105-unit multi-family housing complex located in Pasadena, California.

777 Place Apartments in Pomona, CA (Place) - On November 30, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $207,415,000, were issued to finance the acquisition of a 472-unit multi-family housing complex located in Pomona, California.

Westgate Apartments in Pasadena, CA (Westgate) - On December 8, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $356,730,000, were issued to finance the acquisition of a 480-unit multi-family housing community located in Pasadena, California.

Alcove Apartments, Haven76 Apartments and Rowan Apartments in Escondido, CA (Alcove, Haven76 and Rowan) - On December 28, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $202,120,000, were issued to finance the acquisition of three properties: (1) a 112-unit multi-family housing complex, (2) a 76-unit multi-family housing complex and (3) a 126-unit multi-family housing complex, all located in Escondido, California.

MODA at Monrovia Station in Monrovia, CA (MODA) - On April 13, 2021, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $117,955,000, were issued to finance the acquisition of a 261-unit apartment building located on leased land in Monrovia, California.

Waterscape Apartments in Fairfield, CA (Waterscape) - On September 14, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $84,275,000, were issued to finance the acquisition of a 180-unit multi-family housing complex located in Fairfield, California.

Acacia on Santa Rosa Creek in Santa Rosa, CA (Acacia) - On October 21, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $134,605,000, were issued to finance the acquisition of a 277-unit multi-family housing complex located in Santa Rosa, California.

Vineyard Gardens Apartments in Santa Rosa, CA (Vineyard) - On October 26, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $89,430,000, were issued to finance the acquisition of a 180-unit multi-family housing complex located in Santa Rosa, California.

Park Crossing Apartments in Fairfield, CA (Park Crossing) - On December 14, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $113,950,000, were issued to finance the acquisition of a 200-unit multi-family housing complex located in Fairfield, California.

Wood Creek Apartments in Pleasant Hill, CA (Wood Creek) - On December 28, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $395,150,000, were issued to finance the acquisition of a 484-unit multi-family housing complex located in Pleasant Hill, California.

CTR City Anaheim in Anaheim, CA (CTR) - On December 29, 2020, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2020. The Bonds, with an aggregate principal amount of $116,825,000, were issued to finance the acquisition of a 231-unit multi-family housing complex located in Anaheim, California.

Waterford Place Apartments in Dublin, CA (Waterford) - On August 31, 2021, CSCDA CIA issued Senior Essential Housing Revenue Bonds, Series 2021. The Bonds, with an aggregate principal amount of $235,000,000, were issued to finance the acquisition of a 390-unit multi-family housing complex located in Dublin, California.

Towne at Glendale Apartments in Glendale, CA (Towne) - On March 14, 2022, CSCDA CIA issued Essential Housing Revenue Bonds, Series 2022. The Bonds, with an initial aggregate principal amount of $95,641,006, were issued to finance the acquisition of a 126-unit multi-family housing complex located in Glendale, California.

Basis of Accounting and Measurement Focus

These basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Operating revenues from CSCDA CIA Core result from providing services in connection with the Authority's principal ongoing operations. Operating expenses include management fees, professional fees and other expenses. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Operating revenues from the Asset Ownership Program result from providing housing (rent) in connection with the Authority's principal mission. Operating expenses include maintenance fees, property expenses, management fees, professional fees and other expenses. Revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenue and expenses. Actual results may differ from these estimates and are subject to change in the near term.

Cash and Cash Equivalents, Restricted Cash and Cash Equivalents, Restricted Investments and Investment Income

Cash equivalents are defined as short-term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition. Restricted cash and cash equivalents for CSCDA CIA Core are funds held in an account exclusively for use in the Reserve Fund (see Restricted Cash and Net Position policy). Restricted cash, cash equivalents and investments held at the projects represent the unspent proceeds of the Bonds that are held by the Trustee. These investments are made up of various funds that were required to be funded by the Trust Indentures. Restricted investments are made up of money market funds. All investment income is reported as nonoperating revenues (expenses) in the accompanying statements of revenues, expenses and changes in net position. Realized gains or losses are determined by specific identification.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Tenant Accounts Receivable

Tenant receivables are uncollateralized rents which are due the beginning of each month. Payments of tenant receivables are allocated to the specific charges identified on the tenant's remittance or, if unspecified, are applied to past due balances first, then the current unpaid charges. Management individually reviews all tenant receivables and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Actual losses, when realized, have been within the range of management's expectations. Management has recorded an allowance for doubtful accounts of $5,487,575 and $9,146,574 as of June 30, 2023 and 2022, respectively.

Prepaid and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Leasing commissions are made to real estate broker or agent for successfully closing a lease for the property owner which are amortized over the term of the lease and are included as other assets.

Tenant Security Deposits

Tenant security deposits represent tenant deposits held in accordance with the respective tenant's lease agreement and are held for the tenants until they vacate the property. Any amounts not returned to the tenant due to lease violations are transferred to the applicable project's general operating account.

Intangible Assets

Lease intangible assets included in-place leases, above-market lease assets and deferred leasing costs, and are amortized over the remaining noncancelable terms of the respective leases. In the Project's accompanying statement of operations, amortization of intangible assets is included in depreciation and amortization.

The value of intangible assets is amortized to amortization expense over the remaining terms of the respective leases. During the year ended June 30, 2023 and for the period from inception through June 30, 2022, the Projects recognized $1,327,393 and $36,726,745 of amortization for intangible assets.

Capital Assets

Capital assets are recorded at acquisition cost and, when placed in service, depreciated on a straight-line basis over the useful life of the assets (5 to 27.5 years). Maintenance and repair costs are charged to expense as incurred. Interest costs incurred during the period of construction are expensed as incurred.

The Projects review their long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Projects would recognize an impairment loss at that time. No impairment loss was recognized in 2023 or 2022.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. At this time, the projects have no items reported in this category.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the projects have no items reported in this category.

Long-Term Obligations, Debt Issuance Costs and Original Issue Premiums

All long-term obligations to be repaid from governmental resources are reported as liabilities in the statements. The long-term obligations consist primarily of bond obligations and unamortized premiums/discounts.

Debt issuance costs include all costs incurred to issue the Bonds. Debt issuance costs are expensed in the period incurred. Total debt issuance costs incurred from the year ended June 30, 2023 and for the period from inception through June 30, 2022, was $0 and $130,357,660, respectively, gross of eliminations.

Original issue premiums represent the difference between the face value of the bonds and the consideration received. Original issue premiums are deferred and amortized over the life of the bonds using the effective interest method. Amortization of the premium is reflected as a decrease to interest expense in the statements of revenues, expenses and change in net position.

Restricted Cash and Net Position

Net position of CSCDA CIA is classified in three components:

- Net investment in capital assets consists of capital assets, including bond proceeds held for capital assets, net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets.

- Restricted for Reserve Fund, in accordance with the board motion passed on March 18, 2020, the Authority established a Reserve Fund for the purpose of making payments to service providers. The Reserve Fund is utilized for legal, legislative representation, accounting, consulting, professional and other service fees incurred in connection with the Authority or the Asset Ownership Program. The Reserve Fund is initially funded with $100,000 of new gross issuance fees and annual administrative fees collected from borrowers until it reaches a total of two hundred thousand dollars ($200,000).

- Restricted for debt service is net position that is restricted for the future payment of debt and is required to be held under an agreement with the Trustee.

- Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position.

Income Taxes

The Authority is a public entity that is exempt from federal and state taxation under Section 115 of the Internal Revenue Code and a similar provision of state law. However, the projects under the Asset Ownership Program are subject to federal income tax on any unrelated business taxable income.

Revenue Recognition

CSCDA CIA Core

The Authority receives revenue from various fees. Bond issuance fees are received from bond proceeds and are recognized as revenue upon issuance of the bonds. Administrative fees are invoiced to bond trustees in arrears, and recognized as revenue and receivables as earned. Rates for these fees are predetermined according to a fee schedule and may be adjusted for with approval of the Board.

Unearned revenue is recorded when issuance fees or administrative fees are received prior to their service period. Because all fees are earned from the Asset Ownership Program, all fee income and related unearned revenues are eliminated upon consolidation.

Asset Ownership Program Revenues

Rental revenue is recognized in accordance with the contractual terms of the related lease agreements. Tenant lease agreements are generally for a term of one year. Tenant receivables are periodically evaluated for collectability. Tenant reimbursements are recognized in the period the related costs are incurred.

2. Deposits and Investments

California Government Code Section 53601 (the Code) permits the Authority to invest available cash balances in various investments, as outlined by the Code. The Authority maintains its cash and equivalents in a money market account with a financial institution.

Restricted cash and investments are subject to several types of risk:

Interest Rate Risk - Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy for interest rate risk.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023 and 2022, the Authority's investments were not rated.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. The Authority's deposits are fully insured.

Pursuant to the Asset Ownership Program's Indentures, the projects were required to establish certain restricted reserves with bond proceeds that were funded at closing for the bond issuance. All reserve accounts are restricted for specific uses (such as debt service, interest payment, operating expenses, capital expenses, liens, etc.) and withdrawals from the restricted accounts are subject to approval by the Trustee.

The following table provides a summary of restricted cash, cash equivalents and investments by project as required by the Trust Indentures:

	2023	2022
Renaissance at City Center	$ 8,100,458	$ 8,771,710
Millennium South Bay Apartments	17,817,463	19,417,803
Monterey Station Apartments	17,673,188	18,955,111
The Crescent	17,430,751	19,460,716
Union South Bay	30,075,791	29,983,229
The Link	11,757,280	11,955,707
Parallel Apartments	14,791,613	14,829,704
Jefferson Platinum Triangle	12,845,263	12,815,018
Oceanaire Apartments	8,604,847	9,657,327
Atlana Apartments	27,013,919	27,881,140
Residences at Westgate I & II and The Hudson	24,705,056	26,086,588
Cameo Apartments and Garrison Apartments	17,779,632	17,989,416
1818 Platinum Triangle Apartments	13,752,714	14,411,265
THEO	6,211,861	6,396,530
777 Place Apartments	27,611,391	32,174,061
Westgate Apartments	20,886,332	23,904,461
Alcove Apartments, Haven76 Apartments and Rowan Apartments	16,950,194	17,920,631
MODA at Monrovia Station	10,923,963	10,230,843
Waterscape Apartments	7,264,324	8,145,469
Acacia on Santa Rosa Creek	13,699,302	14,105,118
Vineyard Gardens Apartments	9,628,068	10,402,089
Park Crossing Apartments	8,349,920	9,307,215
Wood Creek Apartments	34,183,327	38,694,603
CTR City Anaheim	10,157,698	11,519,991
Waterford Place Apartments	24,201,109	24,160,710
Towne at Glendale Apartments	12,619,481	11,668,728
Total	425,034,945	450,845,183
Less accrued interest	(60,639,310)	(55,206,493)
Less security deposits	(7,087,312)	(6,625,011)
Net position restricted for debt service	$ 357,308,323	$ 389,013,679

Restricted cash and cash equivalents held by CSCDA CIA Core (for the Reserve Fund, as described in Note 1) was $110,406 and $164,021 as of June 30, 2023 and 2022, respectively.

3. Deposits and Investments

Information regarding assets at fair value on a recurring basis as of June 30, 2023 and 2022, is as follows:

	2023 Recurring Fair Value Measurements Using			
	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds, CSCDA CIA Core	$ 120,345	$ 120,345	$ -	$ -
Total	$ 120,345	$ 120,345	$ -	$ -

	2022 Recurring Fair Value Measurements Using			
	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds, CSCDA CIA Core	$ 164,187	$ 164,187	$ -	$ -
Total	$ 164,187	$ 164,187	$ -	$ -

Following is a description of the methodologies used for assets measured at fair value:

Money Market Funds - The fair value of money market funds are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk.

4. Capital Assets

The following is a summary of changes in the Asset Ownership Program's capital assets for the year ended June 30, 2023:

	2023			
	Beginning Balance	**Additions**	**Disposals and Retirements**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 743,369,908	$ -	$ -	$ 743,369,908
Construction-in-progress	-	3,697,388	-	3,697,388
Total capital assets not being depreciated	743,369,908	3,697,388	-	747,067,296
Capital assets being depreciated:				
Building and building improvements	3,279,876,172	3,158,738	-	3,283,034,910
Furniture, fixtures and equipment	24,334,009	2,073,657	-	26,407,666
Tenant improvements	1,209,135	237,050	-	1,446,185
Total capital assets being depreciated	3,305,419,316	5,469,445	-	3,310,888,761
Total capital assets	4,048,789,224	9,166,833	-	4,057,956,057
Less accumulated depreciation	(108,690,549)	(124,622,586)	-	(233,313,135)
Net capital assets being depreciated	3,196,728,767	(119,153,141)	-	3,077,575,626
Total	$ 3,940,098,675	$ (115,455,753)	$ -	$ 3,824,642,922

The following is a summary of changes in the Asset Ownership Program's capital assets for the period from inception to June 30, 2022:

	2022			
	Beginning Balance	**Additions**	**Disposals and Retirements**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ -	$ 743,369,908	$ -	$ 743,369,908
Total capital assets not being depreciated	-	743,369,908	-	743,369,908
Capital assets being depreciated:				
Building and building improvements	-	3,279,876,172	-	3,279,876,172
Furniture, fixtures and equipment	-	24,334,009	-	24,334,009
Tenant improvements	-	1,209,135	-	1,209,135
Total capital assets being depreciated	-	3,305,419,316	-	3,305,419,316
Total capital assets	-	4,048,789,224	-	4,048,789,224
Less accumulated depreciation	-	(108,690,549)	-	(108,690,549)
Net capital assets being depreciated	-	3,196,728,767	-	3,196,728,767
Total	$ -	$ 3,940,098,675	$ -	$ 3,940,098,675

5. Bond Obligations

Bonds are special limited obligations of CSCDA CIA payable from and secured exclusively by the revenues and assets of the applicable project pledged under the Indenture. The Bonds are summarized within the table on the following pages.

	Original Face Value of Bond Obligations	Interest Rate	Terms (Years)	Maturity Date	Balance at June 30, 2023	Balance at June 30, 2022
Renaissance at City Center						
Series 2020A Bonds	$ 67,675,000	5.000 %	31	July 2051	$ 67,675,000	$ 67,675,000
Series 2020B Bonds	3,000,000	10.000	36	July 2056	3,000,000	3,000,000
Original issue premium/(discount)	10,093,726				9,656,272	9,829,591
Millennium South Bay Apartments						
Series 2021A-1 Bonds	27,000,000	3.375	22	July 2043	27,000,000	27,000,000
Series 2021A-2 Bonds	99,750,000	3.250	35	July 2056	99,750,000	99,750,000
Series 2021B Bonds	55,910,000	4.000	37	July 2058	55,910,000	55,910,000
Series 2021C Bonds	5,500,000	10.000	40	July 2061	5,500,000	5,500,000
Original issue premium/(discount)	(12,523,254)				(12,257,431)	(14,171,452)
Monterey Station Apartments						
Series 2021A-1 Bonds	32,210,000	3.000	22	July 2043	32,210,000	32,210,000
Series 2021A-2 Bonds	102,080,000	3.125	35	July 2056	102,080,000	102,080,000
Series 2021B Bonds	35,470,000	4.000	37	July 2058	35,470,000	35,470,000
Series 2021C Bonds	5,500,000	10.000	40	July 2061	5,500,000	5,500,000
Original issue premium/(discount)	(14,295,685)				(13,943,615)	(14,171,452)
The Crescent						
Series 2022A-1 Bonds	7,530,000	3.250	22	July 2043	7,530,000	7,530,000
Series 2022A-2 Bonds	67,950,000	4.300	38	July 2059	67,950,000	67,950,000
Series 2022B Bonds	32,935,000	5.500	38	July 2059	32,935,000	32,935,000
Series 2022C Bonds	3,500,000	10.000	38	July 2059	3,500,000	3,500,000
Original issue premium/(discount)	(6,670,782)				(6,578,817)	(6,644,324)
Union South Bay						
Series 2021A-1 Bonds	35,000,000	3.100	24	July 2045	35,000,000	35,000,000
Series 2021A-2 Bonds	174,685,000	4.000	35	July 2056	174,685,000	174,685,000
Series 2021B Bonds	6,000,000	10.000	40	July 2061	6,000,000	6,000,000
Original issue premium/(discount)	13,026,260				12,643,669	12,833,407
The Link						
Series 2021A-1 Bonds	16,000,000	3.000	24	July 2045	16,000,000	16,000,000
Series 2021A-2 Bonds	75,045,000	4.000	35	July 2056	75,045,000	75,045,000
Series 2021B Bonds	4,500,000	10.000	40	July 2061	4,500,000	4,500,000
Original issue premium/(discount)	6,097,653				5,920,257	6,009,009
Parallel Apartments						
Series 2021A Bonds	176,010,000	4.000	35	August 2056	176,010,000	176,010,000
Series 2021B Bonds	5,000,000	10.000	35	August 2056	5,000,000	5,000,000
Original issue premium/(discount)	6,878,471				6,655,614	6,751,344
Jefferson Platinum Triangle						
Series 2021A-1 Bonds	45,000,000	2.875	35	August 2056	42,335,000	43,850,000
Series 2021A-2 Bonds	145,965,000	3.125	35	August 2056	145,965,000	145,965,000
Series 2021B Bonds	5,000,000	10.000	35	August 2056	5,000,000	5,000,000
Original issue premium/(discount)	(5,316,045)				(5,062,751)	(5,173,480)
Oceanaire Apartments						
Series 2021A-1 Bonds	25,000,000	3.200	25	Sept 2046	25,000,000	25,000,000
Series 2021A-2 Bonds	105,730,000	4.000	35	Sept 2056	105,730,000	105,730,000
Series 2021B Bonds	5,000,000	10.000	40	Sept 2061	5,000,000	5,000,000
Original issue premium/(discount)	6,485,478				6,282,073	6,355,020

	Original Face Value of Bond Obligations	Interest Rate	Terms (Years)	Maturity Date	Balance at June 30, 2023	Balance at June 30, 2022
Atlana Apartments						
Series 2021A-1 Bonds	$ 70,000,000	3.500 %	25	October 2046	$ 70,000,000	$ 70,000,000
Series 2021A-2 Bonds	262,500,000	4.000	35	October 2056	262,500,000	262,500,000
Series 2020B Bonds	6,900,000	10.000	40	October 2061	6,900,000	6,900,000
Original issue premium/(discount)	9,531,375				9,248,877	9,353,666
Residences at Westgate I & II and The Hudson						
Series 2021A-1 Bonds	110,000,000	2.650	25	December 2046	109,375,000	109,635,000
Series 2021A-2 Bonds	173,985,000	3.000	35	December 2056	173,985,000	173,985,000
Series 2021B Bonds	94,500,000	4.000	35	December 2056	94,500,000	94,500,000
Series 2021C Bonds	7,500,000	10.000	40	December 2061	7,500,000	7,500,000
Original issue premium/(discount)	547,626				547,615	566,090
Cameo Apartments and Garrison Apartments						
Series 2021A-1 Bonds	75,000,000	2.800	25	March 2047	74,325,000	74,650,000
Series 2021A-2 Bonds	106,010,000	3.000	35	March 2057	106,010,000	106,010,000
Series 2021B Bonds	51,000,000	4.000	35	March 2057	51,000,000	51,000,000
Series 2021C Bonds	8,000,000	10.000	40	March 2062	8,000,000	8,000,000
Original issue premium/(discount)	2,470,189				2,413,329	2,451,811
1818 Platinum Triangle Apartments						
Series 2021A-1 Bonds	40,000,000	3.350	25	April 2047	40,000,000	50,000,000
Series 2021A-2 Bonds	78,890,000	3.250	35	April 2057	78,890,000	78,890,000
Series 2021B Bonds	33,500,000	4.000	35	April 2057	33,500,000	33,500,000
Series 2021C Bonds	5,000,000	10.000	40	April 2062	5,000,000	5,000,000
Original issue premium/(discount)	(4,348,308)				(4,239,548)	(4,286,242)
THEO						
Series 2021A-1 Bonds	20,000,000	3.500	25	May 2047	20,000,000	60,000,000
Series 2021A-2 Bonds	42,565,000	3.250	35	May 2057	42,565,000	97,915,000
Series 2021B Bonds	17,500,000	4.000	35	May 2047	17,500,000	44,500,000
Series 2021C Bonds	1,000,000	10.000	40	May 2062	1,000,000	5,000,000
Original issue premium/(discount)	(3,152,147)				(3,080,647)	(4,286,242)
777 Place Apartments						
Series 2021A-1 Bonds	60,000,000	3.600	25	May 2047	60,000,000	20,000,000
Series 2021A-2 Bonds	97,915,000	3.250	35	May 2057	97,915,000	42,565,000
Series 2021B Bonds	44,500,000	4.000	35	May 2047	44,500,000	17,500,000
Series 2021C Bonds	5,000,000	10.000	40	May 2062	5,000,000	1,000,000
Original issue premium/(discount)	(11,841,442)				(11,595,219)	(11,733,301)
Westgate Apartments						
Series 2021A-1 Bonds	85,000,000	3.000	25	June 2047	85,000,000	85,000,000
Series 2021A-2 Bonds	196,480,000	3.125	35	June 2057	196,480,000	196,480,000
Series 2021B Bonds	70,250,000	4.000	35	June 2057	70,250,000	70,250,000
Series 2021C Bonds	5,000,000	10.000	40	June 2062	5,000,000	5,000,000
Original issue premium/(discount)	(33,079,358)				(32,256,318)	(32,763,283)
Alcove Apartments, Haven76 Apartments and Rowan Apartments						
Series 2021A-1 Bonds	50,500,000	3.000	26	June 2048	50,500,000	50,500,000
Series 2021A-2 Bonds	98,370,000	4.000	36	June 2058	98,370,000	98,370,000
Series 2021B Bonds	49,250,000	4.000	37	December 2059	49,250,000	49,250,000
Series 2021C Bonds	4,000,000	10.000	40	June 2062	4,000,000	4,000,000
Original issue premium/(discount)	(15,038,870)				(14,705,054)	(14,949,958)

	Original Face Value of Bond Obligations	Interest Rate	Terms (Years)	Maturity Date	Balance at June 30, 2023	Balance at June 30, 2022
MODA at Monrovia Station						
Series 2021A-1 Bonds	$ 22,590,000	3.4000 %	25	October 2046	$ 22,490,000	$ 22,590,000
Series 2021A-2 Bonds	90,365,000	4.000	35	October 2056	90,365,000	90,365,000
Series 2021B Bonds	5,000,000	10.000	40	October 2061	5,000,000	5,000,000
Original issue premium/(discount)	3,929,974				3,811,902	3,866,540
Waterscape Apartments						
Series 2021A Bonds	57,335,000	3.000	35	Sept 2056	57,335,000	57,335,000
Series 2021B Bonds	23,940,000	4.000	25	Sept 2046	23,940,000	23,940,000
Series 2021C Bonds	3,000,000	10.000	40	Sept 2061	3,000,000	3,000,000
Original issue premium/(discount)	1,728,229				1,650,512	1,694,637
Acacia on Santa Rosa Creek						
Series 2021A Bonds	88,970,000	4.000	35	October 2056	88,970,000	88,970,000
Series 2021B Bonds	40,635,000	4.000	25	October 2046	40,635,000	40,635,000
Series 2021C Bonds	5,000,000	10.000	40	October 2061	5,000,000	5,000,000
Original issue premium/(discount)	8,847,224				8,597,683	8,746,964
Vineyard Gardens Apartments						
Series 2021A Bonds	62,385,000	3.250	37	October 2058	62,385,000	62,385,000
Series 2021B Bonds	24,045,000	4.000	27	October 2048	24,045,000	24,045,000
Series 2021C Bonds	3,000,000	10.000	40	October 2061	3,000,000	3,000,000
Original issue premium/(discount)	(5,010,704)				(4,913,694)	(4,972,184)
Park Crossing Apartments						
Series 2021A Bonds	81,715,000	3.250	37	December 2058	81,715,000	81,715,000
Series 2021B Bonds	27,235,000	4.000	27	December 2048	27,235,000	27,235,000
Series 2021C Bonds	5,000,000	10.000	40	December 2061	5,000,000	5,000,000
Original issue premium/(discount)	(8,463,634)				(8,287,627)	(8,402,729)
Wood Creek Apartments						
Series 2021A-1 Bonds	136,460,000	3.000	28	December 2049	136,460,000	136,460,000
Series 2021A-2 Bonds	146,780,000	4.000	37	December 2058	146,780,000	146,780,000
Series 2021B Bonds	108,910,000	4.000	38	December 2059	108,910,000	108,910,000
Series 2021C Bonds	3,000,000	10.000	43	December 2064	3,000,000	3,000,000
Original issue premium/(discount)	(38,706,406)				(37,868,143)	(38,430,054)
CTR City Anaheim						
Series 2020A Bonds	112,575,000	5.000	33	January 2054	112,575,000	112,575,000
Series 2020B Bones	4,250,000	10.000	33	January 2054	4,250,000	4,250,000
Original Issue premium/(discount)	15,167,230				14,630,698	14,852,457
Waterford Place Apartments						
Series 2021A-1 Bonds	75,000,000	2.450	25	February 2047	72,455,000	74,280,000
Series 2021A-2 Bonds	104,500,000	3.000	35	February 2057	104,500,000	104,500,000
Series 2021B Bonds	50,500,000	4.000	35	February 2057	50,500,000	50,500,000
Series 2021C Bonds	5,000,0000	10.000	40	February 2062	5,000,000	5,000,000
Original issue premium/(discount)	8,078,320				7,854,460	7,978,558
Towne at Glendale Apartments						
Series 2022A Bonds	64,641,006	4.750	40	February 2047	64,641,006	64,641,006
Series 2022B Bonds	29,000,000	5.000	15	February 2057	27,940,000	29,000,000
Series 2022C Bonds	2,000,000	10.000	40	February 2062	2,000,000	5,000,000
Accretion of Series 2022A Bonds	N/A				4,063,107	899,508
Total	$ 4,722,891,006				$ 4,654,408,210	$ 4,655,423,005

Activity for the bonds for the year ended June 30, 2023 and the period from inception to June 30, 2022 was as follows:

	2023			
	Beginning Balance	Additions	Reductions	Ending Balance
Bond obligations	$ 4,720,306,006	$ -	$ 5,085,000	$ 4,715,221,006
Accretion on CAP bonds	899,508	3,163,599	-	4,063,107
(Discounts)/premiums	(65,782,509)		(906,606)	(64,875,903)
Total	$ 4,655,423,005	$ 3,163,599	$ 4,178,394	$ 4,654,408,210

	2022			
	Beginning Balance	Additions	Reductions	Ending Balance
Bond obligations	$ -	$ 4,722,891,006	$ 2,585,000	$ 4,720,306,006
Accretion on CAP bonds	-	899,508	-	899,508
(Discounts)/premiums	-	(65,564,880)	217,629	(65,782,509)
Total	$ -	$ 4,657,326,126	$ 2,082,629	$ 4,655,423,005

Interest payments on the Bonds are due semi-annually. Principal payments are not to be made on the bonds unless and until such bond is tendered to the Trustee for cancellation; however partial payments may be made from time to time at the election of the CSCDA CIA. All outstanding principal balances on the bonds as of June 30, 2023 and 2022, are classified as long-term liabilities.

Future principal and interest payments on the bonds as of June 30, 2023, are as follows:

	Principal	Interest	Total
2024	$ -	$ 169,168,862	$ 169,168,862
2025	-	169,210,529	169,210,529
2026	-	169,168,862	169,168,862
2027	-	169,210,529	169,210,529
2028	-	169,168,862	169,168,862
2029-2033	-	850,109,425	850,109,425
2034-2038	27,940,000	869,513,431	897,453,431
2039-2043	-	861,696,521	861,696,521
2044-2048	811,460,000	820,579,848	1,632,039,848
2049-2053	255,415,000	699,747,760	955,162,760
2054-2058	2,811,060,000	515,676,021	3,326,736,021
2059-2063	806,346,006	73,127,683	883,536,796
2064-2068	3,000,000	425,000	3,425,000
Total	$ 4,715,221,006	$ 5,536,803,333	$ 10,258,008,847

6. Ground Lease

Upon purchase of the Property, the Project assumed a ground lease with an unrelated party extending through April 2096. The ground lease requires monthly base rent, subject to annual increases based on consumer price index changes and of at least 2%. During the year ended June 30, 2023, monthly base rent increased from $107,279 to $111,465.

Below is a summary of expenses incurred pertaining to leases during the year ended June 30, 2023:

Operating lease expense	$ 2,956,884
Variable lease expense	4,371
Total lease expense	$ 2,961,255

The following is a schedule of future minimum lease payments due under the ground lease for the years ending June 30:

Years ending June 30:	
2024	$ 1,339,807
2025	1,368,877
2026	1,396,254
2027	1,424,179
2028	1,452,663
Thereafter	209,772,511
Total	$ 216,754,291

The right-of-use asset and lease liability were calculated using a weighted average discount rate of 3.0%. As of June 30, 2023, the weighted average remaining lease term was 72.8 years.

Right-of-use assets are assessed for impairment in accordance with the Project's long-lived asset policy. The Project reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with GAAP.

7. Related-Party Transactions/Significant Contracts

CSCDA CIA Core

CSCDA CIA has entered into Intellectual Property License, Royalty and Administrative Agreements with CSAC and Cal Cities for sponsorship and marketing of CSCDA CIA's programs. In addition, per the provisions of the CSCDA CIA Joint Powers Agreement, CSAC and Cal Cities appoint individuals to serve on CSCDA CIA's seven-member commission.

CSCDA CIA has entered into a services agreement with Bridge Strategic Partners LLC (BSP) for consulting and management services related to CSCDA CIA's finance programs, including post-issuance management and compliance oversight. Acting as CSCDA CIA's staff, BSP personnel implement the issuance policies established by the Board, present transactions to the Board for review and approval and work with the financial and legal community, local agencies and regulatory bodies and others, to ensure that bonds issued in CSCDA CIA's name remain in good standing. The agreement expires December 31, 2026, with the option for one two-year extension.

Under the services agreement as amended, CSCDA CIA incurred fees to BSP of $1,958,282 and $30,066,534 for the year ended June 30, 2023 and for the period from inception to June 30, 2022, respectively. At June 30, 2023 and 2022, $1,001,073 and $732,445 was payable to BSP for such services, respectively.

Under the intellectual Property License, et seq. Agreement, CSAC and Cal Cities receive an equal portion of the remaining bond issuance and ongoing bond administration fees. CSCDA CIA incurred fees to each of CSAC and Cal Cities of $1,468,712 and $10,742,673 for the year ended June 30, 2023 and for the period from inception to June 30, 2022, respectively. At June 30, 2023 and 2022, $750,805 and $549,334 was payable to each of CSAC and Cal Cities, respectively.

Asset Ownership Program

All asset ownership projects are pursuant to the Assignment and Assumption of Agreement of Purchase and Sale, for consideration for services provided by the Administrators related to the acquisition of the Property, the Administrators are entitled to a one-time payment. This cost is capitalized into the initial cost of each property. The Projects incurred and paid for this acquisition fee during the period from inception to June 30, 2022, and those costs were $49,095,000. In addition to the acquisition fee paid to the Project Administrator, the Administrators earn an annual administration fee which is subject to incremental increases on an annual basis. During the year ended June 30, 2023 and the period from inception to June 30, 2022, the Projects incurred and paid $4,595,142 and $3,628,674, respectively, in project administration fees to the Administrators.

All asset ownership projects have signed management agreements with third-party property managers to establish the terms and conditions for the operation and maintenance of the projects. The management agreements renew automatically on their anniversary date unless terminated as a result of circumstances as defined by the management agreements. Fees incurred to the project managers for the management agreements during the year ended June 30, 2023 and the period from inception to June 30, 2022 were $4,684,408 and $3,423,438, respectively. Accrued property management fees were $381,798 and $359,421 at June 30, 2023 and 2022, respectively.

Under the terms of the Trust Indentures, the individual projects pay one-time bond issuance fees to CSCDA CIA Core. Bond issuance fees incurred and for the year ended June 30, 2023 and the period from inception to June 30, 2022 were $0 and $47,228,910, respectively. The asset ownership projects also pay annual bond administration fees to CSCDA CIA Core. Bond administration fees incurred during the year ended June 30, 2023 and the period from inception to June 30, 2022 were $5,065,706 and $4,607,971, respectively. Accrued bond administration fees as of June 30, 2023 and 2022, were $2,502,682 and $1,849,862, respectively. Bond issuance fees and bond administration fees are eliminated upon consolidation of CSCDA CIA Core and the Asset Ownership Program.

8. Risk Management

CSCDA CIA is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year

SUPPLEMENTARY INFORMATION

CSCDA Community Improvement Authority

Divisional Statement of Net Position
June 30, 2023

	CSCDA Core	Asset Ownership Program	Eliminations	Total
Assets				
Current Assets				
Cash	$ 9,939	$ 18,039,886	$ -	$ 18,049,825
Restricted cash	110,406	425,034,945	-	425,145,351
Tenant receivables, net	-	1,750,113	-	1,750,113
Accounts receivable, related party	2,502,682	-	(2,502,682)	-
Other receivables	972	233,175	-	234,147
Prepaid expenses and other assets	16,200	2,639,855	-	2,656,055
Total current assets	2,640,199	447,697,974	(2,502,682)	447,835,491
Noncurrent Assets				
Intangible assets, net	-	2,146,919	-	2,146,919
Operating right-of-use asset	-	66,827,620	-	66,827,620
Capital assets:				
Construction-in-progress	-	3,697,388	-	3,697,388
Land	-	743,369,908	-	743,369,908
Building and building improvements	-	3,283,034,910	-	3,283,034,910
Furniture, fixtures and equipment	-	26,407,666	-	26,407,666
Tenant improvements	-	1,446,185	-	1,446,185
Less accumulated depreciation	-	(233,313,135)	-	(233,313,135)
Total noncurrent assets	-	3,893,617,461	-	3,893,617,461
Total assets	2,640,199	4,341,315,435	(2,502,682)	4,341,452,952
Liabilities and Net Position				
Current Liabilities				
Accounts payable and accrued expenses	2,521,033	72,116,725	(2,502,682)	72,135,076
Prepaid rent	-	1,480,200	-	1,480,200
Security deposits	-	7,087,312	-	7,087,312
Total current liabilities	2,521,033	80,684,237	(2,502,682)	80,702,588
Noncurrent Liabilities				
Ground lease liability	-	68,468,782	-	68,468,782
Bonds payable, net	-	4,654,408,210	-	4,654,408,210
Total noncurrent liabilities	-	4,722,876,992	-	4,722,876,992
Total liabilities	2,521,033	4,803,561,229	(2,502,682)	4,803,579,580
Net Position				
Net investment in capital assets	-	(760,790,749)	-	(760,790,749)
Restricted for reserve fund	110,406	-		110,406
Restricted for debt service	-	357,308,323		357,308,323
Unrestricted	8,760	(58,763,368)	-	(58,754,608)
Total net position (deficit)	$ 119,166	$ (462,245,794)	$ -	$ (462,126,628)

CSCDA Community Improvement Authority

Divisional Statement of Net Position
June 30, 2022

	CSCDA Core	Asset Ownership Program	Eliminations	Total
Assets				
Current Assets				
Cash	$ 146	$ 16,925,446	$ -	$ 16,925,592
Restricted cash	164,041	450,845,183	-	451,009,224
Tenant receivables, net	-	4,512,984	-	4,512,984
Accounts receivable, related party	1,849,862	-	(1,849,862)	-
Other receivables	128	3,095,179	-	3,095,307
Prepaid expenses and other assets	-	2,914,725	-	2,914,725
Total current assets	2,014,177	478,293,517	(1,849,862)	478,457,832
Noncurrent Assets				
Intangible assets, net	-	3,369,607	-	3,369,607
Capital assets:				
Land	-	743,369,908	-	743,369,908
Building and building improvements	-	3,279,876,172	-	3,279,876,172
Furniture, fixtures and equipment	-	24,334,009	-	24,334,009
Tenant improvements	-	1,209,135	-	1,209,135
Less accumulated depreciation	-	(108,690,549)	-	(108,690,549)
Total noncurrent assets	-	3,943,468,282	-	3,943,468,282
Total assets	2,014,177	4,421,761,799	(1,849,862)	4,421,926,114
Liabilities and Net Position				
Current Liabilities				
Accounts payable and accrued expenses	1,857,612	66,455,762	(1,849,862)	66,463,512
Prepaid rent	-	1,598,152	-	1,598,152
Security deposits	-	6,625,011	-	6,625,011
Total current liabilities	1,857,612	74,678,925	(1,849,862)	74,686,675
Noncurrent Liabilities				
Bonds payable, net	-	4,665,423,005	-	4,665,423,005
Total noncurrent liabilities	-	4,665,423,005	-	4,665,423,005
Total liabilities	1,857,612	4,740,101,930	(1,849,862)	4,740,109,680
Net Position				
Net investment in capital assets	-	(711,954,723)	-	(711,954,723)
Restricted for reserve fund	164,041	-		164,041
Restricted for debt service	-	395,638,690		395,638,690
Unrestricted	(7,476)	7,975,902	-	7,968,426
Total net position (deficit)	$ 156,565	$ (308,340,131)	$ -	$ (308,183,566)

California Statewide Communities Development Authority (CSCDA)

Divisional Statement of Revenues, Expenses and Change in Net Position
Year Ended June 30, 2023

	CSCDA Core	Asset Ownership Program	Eliminations	Total
Operating Revenues				
Total operating revenues	$ 5,065,706	$ 228,020,666	$ (5,065,706)	$ 228,020,666
Operating Expenses				
Net operating expenses	5,117,838	211,272,211	(5,065,706)	211,324,343
Operating income (loss)	(52,132)	16,748,455	-	16,696,323
Nonoperating Revenues (Expenses)				
Interest income	14,733	8,730,744	-	8,745,477
Interest expense	-	(179,384,862)	-	(179,384,862)
Total nonoperating income (loss)	14,733	(170,654,118)	-	(170,639,385)
Change in net position	(37,399)	(153,905,663)	-	(153,943,062)
Net Position (Deficit), Beginning	156,565	(308,340,131)	-	(308,183,566)
Net Position (Deficit), Ending	$ 119,166	$ (462,245,794)	$ -	$ (462,126,628)

California Statewide Communities Development Authority (CSCDA)

Divisional Statement of Revenues, Expenses and Change in Net Position
Period From Inception to June 30, 2022

	CSCDA Core	Asset Ownership Program	Eliminations	Total
Operating Revenues				
Net rental revenues	$ -	$ 197,846,195	$ -	$ 197,846,195
Bond administration fees	4,607,971	-	(4,607,971)	-
Bond issuance fees	47,228,910	-	(47,228,910)	-
Total operating revenues	51,836,881	197,846,195	(51,836,881)	197,846,195
Operating Expenses				
Net operating expenses	51,680,638	227,020,052	(4,607,971)	274,092,719
Operating income (loss)	156,243	(29,173,857)	(47,228,910)	(76,246,524)
Nonoperating Revenues (Expenses)				
Interest income	322	3,844,669	-	3,844,991
Interest expense	-	(152,653,283)	-	(152,653,283)
Bond issuance costs	-	(130,357,660)	47,228,910	(83,128,750)
Total nonoperating income (loss)	322	(279,166,274)	47,228,910	(231,937,042)
Change in net position	156,565	(308,340,131)	-	(308,183,566)
Net Position, Beginning	-	-	-	-
Net Position (Deficit), Ending	$ 156,565	$ (308,340,131)	$ -	$ (308,183,566)