



PROCEDURAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CMFA, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).



SPONSORSHIP OF THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA 40TH ANNUAL HOUSING CONFERENCE

Subject: Sponsorship of the NPH 40th Annual Housing Conference

Meeting: August 30, 2019

Background:

It is expected that affordable housing leaders, peers, developers, advocates, and experts and cross-sector partners will attend the conference. As a Conference Sponsor, the benefits will be supporting NPH, conference passes, exposure to over 1,000 conference attendees, acknowledgment in NPH print and online publications, and name or logo featured in conference mailings and materials.

The conference will be held September 20, 2019 at the San Francisco Marriott Marquis in San Francisco, CA.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Benefactor Sponsorship for the 40th Annual NPH Affordable Housing Conference.



AMENDING RESOLUTION SUMMARY AND RECOMMENDATIONS

Action:	Resolution
Purpose:	Approve a Resolution Authorizing Amendments of the Transfer Restrictions and other Provisions relating to the CMFA's Debt Obligations for Select Affordable Housing Projects
Activity:	Affordable Housing
Meeting:	August 30, 2019

Background:

In order to continue providing an essential service to the affordable housing market, Citibank, N.A. ("Citi") plans to securitize certain portions of its affordable multifamily housing loan portfolio and recycle that capacity into the origination of new affordable multifamily housing loans. These securitizations will be done through municipal conduit issuers with Citi selling its loans to the municipal issuer who will purchase the loans by issuing pass-through certificates secured by the loans into the municipal market.

The pass-through certificates will be rated investment grade by S&P and will be sold to investors in a public offering where Citi Global Markets Inc. will act as the underwriter. Citi has worked with S&P on the first such securitization and has received a BBB+ rating on the pass-through certificates.

The Funding Loan Agreements (FLAs) executed historically did not contemplate this specific type of securitization structure, hence a modification to the transfer provisions of the FLAs between Citi and each respective governmental lender for the first securitization that Citi is structuring and underwriting.

Specifically, the changes allow for the following:

- Transfers to (i) a trustee or custodian arranged by Citi, its affiliates or (ii) any governmental entity, as long as any beneficial interests that are issued and secured by the loans are either (a) rated BBB- or higher (investment grade) or (b) purchased by a QIB;
- Removing the Minimum Beneficial Ownership Amount; and
- Remove the requirement for Transferee representations, only where transferred to (i) a trustee or custodian arranged by Citi, its affiliates or (ii) any governmental entity, as long as any beneficial interests that are issued and secured by the loans are either (a) rated BBB- or higher (investment grade) or (b) purchased by a QIB.

Approval:

Approve a resolution authorizing the execution of amendments to funding loan agreements and trust indentures pursuant to which tax exempt notes and bonds, respectively, were issued for the financing of the following projects: (Sweeney Lane Apartments), City of Daly City, County of San Mateo; (American Gold Star Manor Apartments), City of Long Beach, County of Los Angeles; (Alexander Crossing Apartments), City of Napa, County of Napa; (Arroyo Vista aka Wexford Way & Carlow Court at Emerald Vista Apartments), City of Dublin, County of Alameda (Azahar Place Apartments), City of Ventura, County of Ventura; (Barrett Plaza Apartments), City of Richmond, County of Alameda; (Briar Crest Apartments), City of Garden Grove, County of Orange; (Rosecrest Apartments), City of Garden Grove, County of Orange; (Brookside Crossing Apartments), City of Lincoln, County of Placer; (Casa de la Paloma Apartments), City of Glendale, County of Los Angeles; (Casa Montego), City of Walnut Creek, County of Contra Costa; (Cochrane Village Apartments), City of Morgan Hill, County of Santa Clara; (Coral Mountain Apartments), City of La Quinta, County of Riverside; (Corona Ranch & Washington Creek Apartments), City of Petaluma, County of Sonoma; (Desert Oasis Apartments), City of Indio, County of Riverside; (Diamond Street Apartments), City of Anderson, County of Shasta; (Drasnin Manor Apartments) City of Oakland, County of Alameda; (Magnolia Apartments), City of Hayward, County of Alameda; (Eden Issei Apartments), City of Hayward, County of Alameda; (First Point Family Apartments), City of Santa Ana, County of Orange; (First Point Family Apartments II), City of Santa Ana, County of Orange; (Fuller Lodge Apartments), City of San Leandro, County of Alameda; (Granger Apartments), City of National City, County of San Diego; (Holly Court Apartments), City of West Sacramento, County of Yolo; (Judson Terrace Homes Apartments), City of San Luis Obispo, County of San Luis Obispo; (Quarry Creek Apartments), City of Carlsbad, County of San Diego; (Las Palmas Apartments), City of San Leandro, County of Alameda; (Laurel Grove Apartments), City of San Jose, County of Santa Clara; (Liberty at Aliso Apartments), City of Aliso Viejo, County of Orange; (Life's Garden Apartments), City of Sunnyvale, County of Santa Clara; (MacArthur Apartments), City of Oakland, County of Alameda; (Madera Vista Apartments), City of Temecula, County of Riverside; (Madonna Road Apartments), City of San Luis Obispo, County of San Luis Obispo; (Madrone Village Apartments), City of Petaluma, County of Sonoma; (Metro East Senior Apartments), city of Santa Ana, County of Orange; (Mission Village Apartments), City of Los Angeles, County of Los Angeles, (Mt. Rubidoux Apartments), City of Riverside, County of Riverside; (Olive Tree Plaza Apartments), City of Hayward, County of Alameda; (Park Avenue Apartments), City of San Jose, County of Santa Clara; (Park Paseo Apartments), City of Glendale, County of Los Angeles; (Paseo del Oro Apartments), City of San Marcos, County of San Diego; (Piedmont Apartments), City of Oakland, County of Alameda; (Rancho California Apartments), City of Temecula, County of Riverside; (Redwood Lodge Apartments), City of Fremont, County of Alameda; (Rotary Miller Avenue Senior Housing Apartments), City of South San Francisco, County of San Mateo; (Royal Vista Terrace Apartments), City of Duarte, County of Los Angeles; (San Pablo Hotel Apartments), City of Oakland, County of Alameda; (San Tomas Gardens Apartments), City of Campbell, County of Santa Clara; (Sequoia Manor Apartments), City of Goshen, County of Tulare; (Shadow Hills Apartments), City of Thousand Oaks, County of Ventura; (Sierra Vista Apartments), City of Mountain View, County of Santa Clara; (Sierra Vista Apartments), City of San Marcos, County of San Diego; (St. Mary's Tower Apartments), City of Long Beach, County of Los Angeles; (St. Andrew's Manor Apartments), City of Oakland, County of Alameda; (Terracina Oaks Apartments), City of Auburn, County of Placer; (The Lodge at Eureka Apartments), City of Eureka, County of Humboldt, (The Post Apartments), City of Imperial Beach, County of San Diego; (Villa La Esperanza Apartments), City of Goleta, County of Santa Barbara; (Vintage Aliso Apartments), City of Aliso Viejo, County of Orange; (Watts Athens Apartments), City of Los Angeles, County of Los Angeles; (Westlake Christian Terrace Apartments), City of Oakland, County of Alameda; (Westminster

Court Apartments), City of Bell Gardens, County of Los Angeles; (Arroyo Vista FKA Wexford Way & Carlow Court at Emerald Vista Apartments), City of Dublin, County of Alameda; (Woodlands Newell Apartments), City of East Palo Alto, County of Santa Clara and other matters relating thereto.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve a Resolution authorizing amendments to the bond documents for Sweeney Lane Apartments, American Gold Star Manor Apartments, Alexander Crossing Apartments, Arroyo Vista aka Wexford Way & Carlow Court at Emerald Vista Apartments, Azahar Place Apartments, Barrett Plaza Apartments, Briar Crest Apartments, Rosecrest Apartments, Brookside Crossing Apartments, Casa de la Paloma Apartments, Casa Montego Apartments, Cochrane Village Apartments, Coral Mountain Apartments, Corona Ranch & Washington Creek Apartments, Desert Oasis Apartments, Diamond Street Apartments, Drasnin Manor Apartments, Magnolia Apartments, Eden Issei Apartments, First Point Family Apartments, First Point Family Apartments II, Fuller Lodge Apartments, Granger Apartments, Holly Court Apartments, Judson Terrace Homes Apartments, Quarry Creek Apartments, Las Palmas Apartments, Laurel Grove Apartments, Liberty at Aliso Apartments, Life's Garden Apartments, MacArthur Apartments, Madera Vista Apartments, Madonna Road Apartments, Madrone Village Apartments, Metro East Senior Apartments, Mission Village Apartments, Mt. Rubidoux Apartments, Olive Tree Plaza Apartments, Park Avenue Apartments, Park Paseo Apartments, Paseo del Oro Apartments, Piedmont Apartments, Rancho California Apartments, Redwood Lodge Apartments, Rotary Miller Avenue Senior Housing Apartments, Royal Vista Terrace Apartments, San Pablo Hotel Apartments, San Tomas Gardens Apartments, Sequoia Manor Apartments, Shadow Hills Apartments, Sierra Vista Apartments, Sierra Vista Apartments, St. Mary's Tower Apartments, St. Andrew's Manor Apartments, Terracina Oaks Apartments, The Lodge at Eureka Apartments, The Post Apartments, Villa La Esperanza Apartments, Vintage Aliso Apartments, Watts Athens Apartments, Westlake Christian Terrace Apartments, Westminster Court Apartments, Arroyo Vista FKA Wexford Way & Carlow Court at Emerald Vista Apartments, Woodlands Newell Apartments multi-family housing projects.



VILLAGE SENIOR APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	Cabrillo Economic Development Corporation
Action:	Initial Resolution
Amount:	\$20,000,000
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in the City of Buellton, Santa Barbara County, California
Activity:	Affordable Housing
Meeting:	August 30, 2019

Background:

This is the CMFA's eighth transaction with Cabrillo Economic Development Corporation ("CEDC"). CEDC has progressed from a grower-owned labor camp to a countywide housing and economic development corporation serving diverse socio-economic populations. In 1975, farm worker families living in substandard housing conditions in Cabrillo Village (Saticoy, CA) received eviction notices from the labor camp's grower-owners. Resisting the razing of their homes, 80 farm worker families raised money to purchase the land, started the Cabrillo Improvement Association (CIA), and became the land's legal owners on Cinco de Mayo 1976.

Over the next five years, the CIA rehabbed 80 homes, developed two new housing complexes totaling 79 units, started three new business ventures to expand the neighborhood's economic base, and provided social services to farm worker families. In 1981, in a decision to expand past its original borders, a countywide community development corporation was formed that became CEDC.

Since these humble beginnings, CEDC has built more than 1,000 units of affordable for-sale and multi-family rental housing, manages 440 affordable rental units, and has counseled more than 1,800 households preparing to purchase a home. In addition, CEDC has helped 275 families into homeownership through education, counseling and lending services.

CEDC is one of the leading non-profit affordable housing producers in Ventura County.

The Project:

The Village Senior Apartments is a new construction development that will provide 49 affordable rent restricted apartment homes for seniors aged 62+ and one rental apartment home for an onsite resident manager for a total of 50 units. The units will be rent restricted from 30% to 50% of the Area Median Income. The development consists of 2 two-story buildings and 1 three-story building connected by interior walkways, one of which houses a 3,000-sf community center. The buildings are connected by open walkways and all apartment homes are accessible via the elevator. Each apartment home will provide private open space. The unit mix includes 49 one-bedroom units and 1 two-bedroom unit. This financing will create 49 units of affordable housing for the City of Buellton for the next 55 years.

The City of Buellton:

The City of Buellton will need to become a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$10,113 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 16,182,277
Santa Barbara County:	\$ 895,941
GP Capital Contribution:	\$ 100
Deferred Costs:	\$ 1,986,010
Equity:	<u>\$ 2,197,874</u>
Total Sources:	\$ 21,262,202

Uses of Funds:

Land Acquisition:	\$ 2,325,530
New Construction:	\$ 14,763,919
Architectural & Engineering:	\$ 874,048
Legal & Professional:	\$ 60,000
Construction Interest & Fees:	\$ 1,248,669
Developer Fee:	\$ 1,000,000
Other Costs*:	\$ 654,033
Costs of Issuance:	<u>\$ 336,003</u>
Total Uses:	\$ 21,262,202

Terms of Transaction:

Amount:	\$20,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	December 2021

Public Benefit:

A total of 49 senior households will be able to enjoy high quality, independent, affordable housing in the City of Buellton, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%
27% (13 Units) restricted to 30% or less of area median income households; and
73% (36 Units) restricted to 50% or less of area median income households
Unit Mix: 1- and 2-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	JP Morgan Chase Bank
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb and Lipman LLP
Financial Advisor:	Nancy Lewis Associates, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$20,000,000 for Village Senior affordable multi-family housing facility located in the City of Buellton, County of Santa Barbara, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” and may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing, Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



CENTERTOWN APARTMENTS SUMMARY AND RECOMMENDATIONS

Applicant:	BRIDGE Housing Corporation
Action:	Initial Resolution
Amount:	\$25,000,000
Purpose:	Finance an Affordable Multi-Family Rental Housing Facility Located in the City of San Rafael, Marin County, California
Activity:	Affordable Housing
Meeting:	August 30, 2019

Background:

BRIDGE Housing Corporation (“BRIDGE”) is one of the country’s premier developers of affordable housing and master planned developments. Their mission is to produce large volumes of high-quality homes for seniors and families of very low, low and moderate-incomes. Since beginning active operations in 1983, BRIDGE has participated in the development of over 13,000 housing units in over 80 California communities, valued at more than \$3 billion. BRIDGE Property Management Company has had the management capacity to maintain quality standards and community responsiveness in nearly 8,000 rental units.

BRIDGE builds a range of housing types that both fit comfortably into their surroundings and act as a catalyst for revitalizing and strengthening neighborhoods. BRIDGE not only specializes in bringing affordable housing to all income levels, but it also works to develop housing for all age levels. BRIDGE has been a leader in providing high-quality affordable housing for seniors, helping to enhance the lives of all members of a community. The vast majority of the homes built by BRIDGE are affordable to families who earn approximately \$15,000 - \$50,000. The remainder is primarily affordable to households with moderate incomes. Approximately 78% of BRIDGE units are rentals; the balance of which is comprised of for-sale units affordable to first time homebuyers. BRIDGE is known for creating award winning affordable homes that not only depict the character of the community, but also display the same quality of design and construction as market rate housing.

The CMFA has facilitated over 10 BRIDGE projects.

The Project:

The Centertown Apartments project is the acquisition and rehabilitation of an existing affordable housing project located in downtown San Rafael. The project was built in partnership with EAH and completed in 1991. The project is a four-story multifamily apartment building containing 59 units of housing for households earning between 50% and 60% of Area Median Income, with one unit designated for a property manager. The Centertown project is comprised of 17 one-bedroom, 28 two-bedroom and 15 three-bedroom units. Centertown Apartments is located near several public transportation options, banks, parks, hospitals and other services and amenities. This financing will preserve 59 units of affordable housing for the City of San Rafael for the next 55 years.

The City of San Rafael:

The City of San Rafael is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$11,981 as part of the CMFA's sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bond:	\$ 19,170,558
Seller Note:	\$ 2,558,250
Dept. Of Housing & Community Dev. RHCP:	\$ 3,154,607
City of San Rafael:	\$ 238,306
County of Marin:	\$ 101,822
County of Marin HOME:	\$ 500,000
Sponsor – Contributed Reserves:	\$ 873,000
Sponsor Loan:	\$ 3,700,877
Equity:	<u>\$ 1,055,320</u>
Total Sources:	\$ 31,352,740

Uses of Funds:

Land Acquisition:	\$ 89,758
Building Acquisition:	\$ 14,917,000
Rehabilitation:	\$ 6,909,117
Architectural & Engineering:	\$ 984,610
Legal & Professional:	\$ 274,250
Relocation:	\$ 150,000
Construction Interest & Fees:	\$ 1,263,526
Developer Fee:	\$ 3,817,423
Contingency:	\$ 1,332,860
Other Costs*:	\$ 1,206,677
Costs of Issuance:	<u>\$ 407,519</u>
Total Uses:	\$ 31,352,740

Terms of Transaction:

Amount:	\$25,000,000
Maturity:	17 years
Collateral:	Deed of Trust on property
Bond Purchasers:	Private Placement
Estimated Closing:	March 2020

Public Benefit:

A total of 59 households will continue to be able to enjoy high quality, independent, affordable housing in the City of San Rafael, California for the next 55 years.

Percent of Restricted Rental Units in the Project: 100%
41% (24 Units) restricted to 50% or less of area median income households; and
59% (35 Units) restricted to 60% or less of area median income households
Unit Mix: 1-, 2- and 3-bedroom units
Term of Restriction: 55 years

Finance Team:

Lender:	TBD
Bond Counsel:	Quint & Thimmig LLP
Issuer Counsel:	Jones Hall, APLC
Lender Counsel:	TBD
Borrower Counsel:	Goldfarb and Lipman LLP
Financial Advisor:	Community Economics, Inc.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$25,000,000 for Centertown Apartments affordable multi-family housing facility located in the City of San Rafael, County of Marin, California.

Note: This transaction is subject to review and final approval at the Final Resolution.

*Other Costs: These are costs that are categorized by CDLAC as “Other Costs” and may include the following; Accounting/Reimbursable, Appraisals, Audit Costs, Capital Needs Assessment, Contingency, Demolition & Environmental Remediation, Environmental Audit, Furnishings, Inspections, Insurance, Investor Due Diligence, Local Development Impact Fees, Marketing,

Market Study, Operating Reserves, Permit Processing Fees, Prevailing Wage Monitoring, Relocation, Seismic, Syndication Consultants, TCAC App/Allocation/Monitoring Fees.



DELTA AIR LINES, INC. SUMMARY AND RECOMMENDATIONS

Applicant:	Delta Air Lines, Inc.
Action:	Initial Resolution
Amount:	\$500,000,000
Purpose:	Finance the Acquisition, Construction, Rehabilitation, Improvement and Equipping of Airport Terminals 2 and 3 located at Los Angeles International Airport, City of Los Angeles, County of Los Angeles, California.
Activity:	Airport Facilities
Meeting:	August 30, 2019

Background:

Delta Air Lines, Inc. (“Delta” or the “Borrower”) is a U.S. global airline leader in products, services, innovation, reliability and customer experience. Powered by its 80,000 people around the world, Delta continues to invest in its people, improving the air travel experience and generating industry-leading shareholder returns.

Headquartered in Atlanta, Delta (NYSE: DAL) offers more than 5,000 daily departures and as many as 15,000 affiliated departures including the premier SkyTeam alliance, of which Delta is a founding member. Delta serves nearly 200 million people every year, taking customers across its global network to more than 300 destinations in over 50 countries.

The Project:

Delta has requested that the Authority consider the issuance and sale of tax-exempt and/or taxable revenue bonds (the “Bonds”) pursuant to the JPA Act for the purpose of lending the proceeds thereof to Delta to finance the construction, improvement and equipping of aircraft terminal and related facilities, to be located at Los Angeles International Airport (“LAX”), at 1 World Way, in the City of Los Angeles, California (the “City”), to be owned by the City and operated by Delta (the “Project”).

Delta has entered into a lease agreement with the Los Angeles World Airports (“LAWA”) to renovate Terminals 2 and 3 at Los Angeles International Airport. The renovations include construction of a headhouse, gates, concourses, ramps, connectors, infrastructure and other assorted improvements. The project will include:

- Modernizing and upgrading the terminals and connect Terminals 2, 3, and the Tom Bradley International Terminal.
- Increase capacity from existing 22 gates to new 27 gate complex. Consolidate check-in lobby, security checkpoint, and baggage claim for T2/T3.

City of Los Angeles:

The City of Los Angeles is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$100,000 as part of the CMFA’s sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bonds:	<u>\$ 500,000,000</u>
Total Sources:	\$ 500,000,000

Uses of Funds:

New Construction:	\$ 498,000,000
Cost of Issuance:	<u>\$ 2,000,000</u>
Total Uses:	\$ 500,000,000

Terms of Transaction:

Amount:	\$500,000,000
Maturity:	January 2025
Security:	Corporate Guarantee
Bond Purchasers:	Public Offering: Institutional & Retail Investors
Anticipated Rating:	S&P – BBB-, Moody’s – Baa3
Estimated Closing:	December 2019

Public Benefit:

According to Airports Council International (“ACI”) statistics in calendar year 2017, LAX ranked as the 5th busiest airport in the world and the 2nd busiest airport in North America in terms of total number of enplaned passengers; and 13th busiest airport in the world and 4th busiest in North America in terms of total cargo. According to the U.S. Department of Transportation Origins and Destinations Survey of Airline Passenger Traffic for Fiscal Year 2018, LAX ranked #1 nationally in number of domestic origins and destination passengers. This project will allow Delta to better serve its customers at LAX.

Finance Team:

Underwriter:	Wells Fargo Securities
Bond Counsel:	Nixon Peabody LLP
Issuer Counsel:	Jones Hall APLC
Underwriter Counsel:	McGuire Woods, LLP
Borrower Counsel:	Gibson, Dunn & Crutcher LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$500,000,000 for the Delta Air Lines, Inc. project located in the City of Los Angeles, County of Los Angeles.

Note: This transaction is subject to review and final approval at the Final Resolution.



AMERICAN AIRLINES, INC. SUMMARY AND RECOMMENDATIONS

Applicant:	American Airlines, Inc.
Action:	Initial Resolution
Amount:	\$1,750,000,000
Purpose:	Finance the Acquisition, Development, Design, Construction, Improvement and Equipping of Airport Terminals 4 and 5 located at Los Angeles International Airport, City of Los Angeles, County of Los Angeles, California.
Activity:	Airport Facilities
Meeting:	August 30, 2019

Background:

American Airlines Group Inc. (AAG), a Delaware corporation, is a holding company and its principal, wholly-owned subsidiaries are American Airlines, Inc. (the "Borrower" or "American"), Envoy Aviation Group Inc. (Envoy), PSA Airlines, Inc. (PSA) and Piedmont Airlines, Inc. (Piedmont). AAG was formed in 1982 under the name AMR Corporation (AMR) as the parent company of American, which was founded in 1934. The principal executive office is located in Fort Worth, Texas.

American's primary business activity is the operation of a major network carrier, providing scheduled air transportation for passengers and cargo. Together with their wholly-owned regional airline subsidiaries and third-party regional carriers operating as American Eagle, their airline operates an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries through hubs and gateways in Charlotte, Chicago, Dallas/Fort Worth, London Heathrow, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C. In 2018, approximately 204 million passengers boarded their flights.

As of December 31, 2018, they operated 956 mainline aircraft supported by their regional airline subsidiaries and third-party regional carriers, which operated an additional 595 regional aircraft.

American is a founding member of the oneworld® alliance, whose members serve more than 1,000 destinations with approximately 14,250 daily flights to over 150 countries.

The Project:

American has requested that the Authority consider the issuance and sale of tax-exempt and/or taxable revenue bonds, notes, or similar obligations, including notes issued in connection with a credit facility (the “Obligations”), pursuant to the JPA Act for the purpose of financing the design construction, improvement, renovation and equipping of aircraft terminal and related facilities, to be located at Los Angeles International Airport, at 1 World Way, in the City of Los Angeles, California, to be owned by the City and operated by the Borrower (the “Project”).

The Project will include:

- Redevelop existing American premises at LAX Terminals 4 and 5 including improvements to connect the terminals to the Automated People Mover (APM)
- Reconfigure ticket counters, ticket offices, baggage handling equipment and baggage service offices
- Realign and add two additional gates in Terminal 5
- Conduct additional renovations to improve operations and the guest experience

City of Los Angeles:

The City of Los Angeles is a member of the CMFA and will be asked to hold a TEFRA hearing. Upon closing, the City is expected to receive approximately \$100,000 as part of the CMFA’s sharing of Issuance Fees.

Proposed Construction Financing:

Sources of Funds:

Tax-Exempt Bonds:	\$1,387,008,125
Taxable Bonds:	<u>\$ 150,000,000</u>
Total Sources:	\$1,537,008,125

Uses of Funds:

Rehabilitation:	\$1,309,994,804
Architectural & Engineering:	\$ 79,301,111
Legal & Professional:	\$ 67,232,092
Laydown Space:	\$ 13,670,963
PMO Rent & Parking:	\$ 2,441,243
Financing/ Interest Costs:	<u>\$ 64,367,912</u>
Total Uses:	\$1,537,008,125

Terms of Transaction:

Amount:	\$1,750,000,000
Maturity:	December 2024
Security:	Corporate Guarantee, LAX Purchase
Bond Purchasers:	Bank Loan
Anticipated Rating:	Unrated
Estimated Closing:	December 2019

Public Benefit:

According to Airports Council International (“ACI”) statistics in calendar year 2017, LAX ranked as the 5th busiest airport in the world and the 2nd busiest airport in North America in terms of total number of enplaned passengers; and 13th busiest airport in the world and 4th busiest in North America in terms of total cargo. According to the U.S. Department of Transportation Origins and Destinations Survey of Airline Passenger Traffic for Fiscal Year 2018, LAX ranked #1 nationally in number of domestic origins and destination passengers. This project will allow American to better serve its customers at LAX.

Finance Team:

Syndicate Banks:	Bank of America N.A., JP Morgan
Bond Counsel:	Nixon Peabody LLP
Issuer Counsel:	Jones Hall APLC
Bank Counsel:	Rentner Rust Law, McGuire Woods LLP
Borrower Counsel:	O'Melveny & Myers LLP

Recommendation:

The Executive Director recommends that the CMFA Board of Directors approve an Initial Resolution of \$1,750,000,000 for the American Airlines, Inc. project located in the City of Los Angeles, County of Los Angeles.

Note: This transaction is subject to review and final approval at the Final Resolution.



BOLD PROGRAM COMMUNITY FACILITIES DISTRICT MILESTONE SUMMARY AND RECOMMENDATIONS

Applicant: Taylor Morrison of California, LLC, a California Limited Liability Company / Elk Grove

Action: Approval

Amount: \$5,000,000

Purpose: Approve Resolutions Initiating Formation of CMFA Community Facilities District No. 2019-3 and the Intention to Incur Indebtedness (City of Elk Grove - Milestone) Sacramento County, California

Activity: BOLD/ Community Facilities District

Meeting: August 30, 2019

Background and Resolutions:

The CMFA's BOLD Program ("BOLD") utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the "Act") to raise revenues for the infrastructure needs of local agencies in California. The City of Elk Grove (the "City") is a member of the CMFA and a participant in BOLD. Taylor Morrison of California, LLC, a California Limited Liability Company (the "Developer") has submitted an application to the CMFA to use BOLD in relation to the Developer's proposed development of certain property located in the City. The CMFA and the City have accepted such application.

The applicant has requested formation of a community facilities district which will facilitate the future issuance of bonds by the CMFA under the program. Proceeds of bonds will primarily be used to finance public infrastructure facilities to be owned by the City.

As an initial step in using BOLD for the financing, the CMFA needs to form a community facilities district. The proposed community facilities district will be called California Municipal Finance Authority Community Facilities District No. 2019-3 (City of Elk Grove - Milestone) (the "CFD").

Under the Act, it is a requirement that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to form the CFD, stating the types of public facilities to be financed on behalf of the CFD, setting forth the rate and method of apportionment of a proposed special tax to be levied in the CFD, and establishing the boundary. A copy of the Boundary Map, Rate and Method of Apportionment, and list of facilities to be financed is attached. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish the California Municipal Finance Authority Community Facilities District No. 2019-3 (City of Elk Grove – Milestone), and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the “Resolution of Intention to Form CFD”).

It is also a requirement under the Act that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to issue bonds payable from the levy of a special tax within the CFD. A resolution meeting that requirement of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Incur a Bonded Indebtedness in and for the California Municipal Finance Authority Community Facilities District No. 2019-3 (City of Elk Grove – Milestone) to Finance the Acquisition and Construction of Certain Public Facilities (the “Resolution of Intention to Incur Bonded Indebtedness”).

The Project:

The Milestone project is expected to include construction of 121 residential units within the City of Elk Grove. The boundary of the CFD comprises 25.8 net acres, and no further annexation is anticipated. At the time of developer application, all discretionary entitlements were in place and subdivision improvements were substantially complete. Models were open and sales had commenced, with the 1st closing expected to be completed by the end of 2019.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$5,000,000 on behalf of the CFD and all improvement areas therein.

Future Action:

Under the Act, at a future meeting of the CMFA Board of Directors, the Board of Directors will need to hold a public hearing and adopt additional resolutions formally creating the CFD, authorizing the incurrence of bonded indebtedness for the CFD, levying the special tax within the CFD, and certain other related matters. The Milestone CFD will likely be pooled with other like-sized CFDs, and sold as a combined financing.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Intention to Form the CFD and the Resolution of Intention to Incur Bonded Indebtedness.

PROPOSED BOUNDARIES OF
AND FUTURE ANNEXATION AREAS OF

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2019-3
(CITY OF ELK GROVE-MILESTONE)

SACRAMENTO COUNTY, STATE OF CALIFORNIA

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF
DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
THIS _____ DAY OF _____ 2019.

SECRETARY

CLERK'S MAP CERTIFICATE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED
BOUNDARIES AND THE FUTURE ANNEXATION AREA OF CALIFORNIA
MUNICIPAL FINANCE AUTHORITY COMMUNITY FACILITIES DISTRICT NO.
2019-3 (CITY OF ELK GROVE-MILSESTONE), COUNTY OF SACRAMENTO,
STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF DIRECTORS OF
THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AT A REGULAR MEETING
THEREOF, HELD ON THE _____ DAY OF _____, 2019, BY ITS
RESOLUTION NO. _____.

SECRETARY

RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 20 _____ AT THE
HOUR OF _____ O'CLOCK _____ M, IN BOOK _____ OF MAPS
OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____
THEREOF IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY
OF SACRAMENTO, STATE OF CALIFORNIA.

FEE _____

FILE NO. _____
RECORDER

SACRAMENTO COUNTY

DEPUTY

134-0110-123

(97)

CHAROLAIS WAY

GRAPHIC SCALE

200 0 100 200 400

(IN FEET)

1 inch = 200 ft.

(96)

CFD BOUNDARY

134-0110-180

134-0110-177

134-0110-181

WAYLAND DRIVE

134-0110-127

134-0110-118

134-0110-183 (OUT)

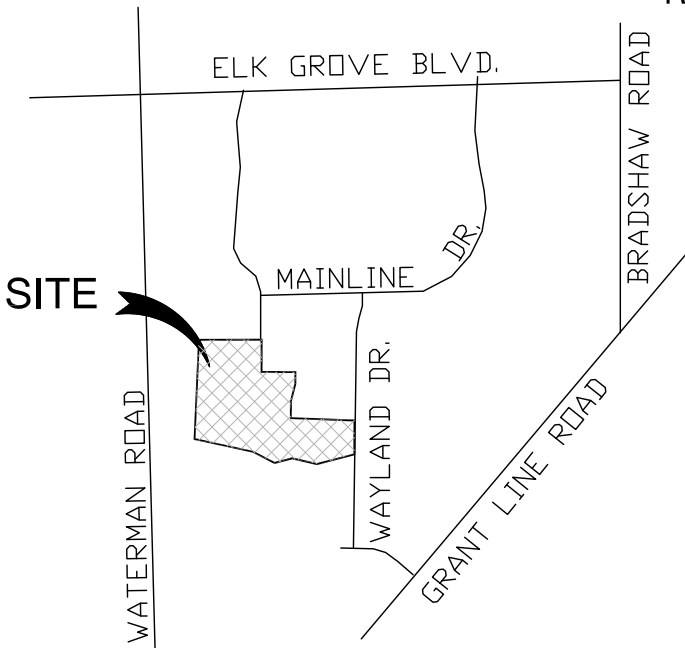
134-0110-182

NOTE:

REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD
IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF
SACRAMENTO FOR THE DETAILED DESCRIPTION OF THE LINES AND
DIMENSIONS OF ANY PARCELS SHOWN HEREON.

LEGEND

- 134-0110-181 ASSESSOR'S PARCEL NUMBER
ASSESSOR'S PARCEL LOT LINE
(96) ASSESSORS PARCEL BOOK NUMBER
COMMUNITY FACILITIES DISTRICT NO. 2019-3



VICINITY MAP
N.T.S.



BOLD PROGRAM COMMUNITY FACILITIES DISTRICT LIBERTY VILLAGE SUMMARY AND RECOMMENDATIONS

Applicant:	Taylor Morrison of California, LLC, a California Limited Liability Company / Roseville
Action:	Approval
Amount:	\$2,600,000
Purpose:	Approve Resolutions Initiating Formation of CMFA Community Facilities District No. 2019-4 and the Intention to Incur Indebtedness (City of Roseville – Liberty Village) Placer County, California
Activity:	BOLD/ Community Facilities District
Meeting:	August 30, 2019

Background and Resolutions:

The CMFA's BOLD Program ("BOLD") utilizes the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 et seq.) (the "Act") to raise revenues for the infrastructure needs of local agencies in California. The City of Roseville (the "City") is a member of the CMFA and a participant in BOLD. Taylor Morrison of California, LLC, a California Limited Liability Company (the "Developer") has submitted an application to CMFA to use BOLD in relation to the Developer's proposed development of certain property located in the City. The CMFA and the City have accepted such application.

The applicant has requested formation of a community facilities district which will facilitate the future issuance of bonds by the CMFA under the program. Proceeds of bonds will primarily be used to finance public infrastructure facilities to be owned by the City.

As an initial step in using BOLD for the financing, the CMFA needs to form a community facilities district. The proposed community facilities district will be called California Municipal Finance Authority Community Facilities District No. 2019-4 (City of Roseville – Liberty Village) (the "CFD").

Under the Act, it is a requirement that CMFA, as the entity forming the CFD, adopt a resolution stating its intention to form the CFD, stating the types of public facilities to be financed on behalf of the CFD, setting forth the rate and method of apportionment of a proposed special tax to be levied in the CFD, and establishing the boundary. A copy of the Boundary Map, Rate and Method of Apportionment, and list of facilities to be financed is attached. A resolution meeting the requirements of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Establish the California Municipal Finance Authority Community Facilities District No. 2019-4 (City of Roseville – Liberty Village), and to Levy a Special Tax to Finance the Acquisition and Construction of Certain Public Facilities in and for such Community Facilities District (the “Resolution of Intention to Form CFD”).

It is also a requirement under the Act that the CMFA, as the entity forming the CFD, adopt a resolution stating its intention to issue bonds payable from the levy of a special tax within the CFD. A resolution meeting that requirement of the Act is presented at this meeting in the form of a Resolution of the Board of Directors of the California Municipal Finance Authority Declaring its Intention to Incur a Bonded Indebtedness in and for the California Municipal Finance Authority Community Facilities District No. 2019-4 (City of Roseville – Liberty Village) to Finance the Acquisition and Construction of Certain Public Facilities (the “Resolution of Intention to Incur Bonded Indebtedness”).

The Project:

The Liberty Village project is an attached housing product type that is expected to include construction of 53 residential units within the City of Roseville. The boundary of the CFD comprises 6.62 acres including HOA owned streets and landscaped common areas. No further annexations are anticipated for this district. At the time of developer application, all discretionary entitlements were in place and site development was substantially complete. First closings are expected in the 4th quarter of 2019.

In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Act) in one or more series in the aggregate amount of not to exceed \$2,600,000 on behalf of the CFD and all improvement areas therein.

Future Action:

Under the Act, at a future meeting of the CMFA Board of Directors, the Board of Directors will need to hold a public hearing and adopt additional resolutions formally creating the CFD, authorizing the incurrence of bonded indebtedness for the CFD, levying the special tax within the CFD, and certain other related matters. The Liberty Village CFD will likely be pooled with other like-sized CFDs, and sold as a combined financing.

Recommendation:

The Executive Director recommends that the CMFA Board of Directors adopt the Resolution of Intention to Form the CFD and the Resolution of Intention to Incur Bonded Indebtedness.

PROPOSED BOUNDARIES OF
AND FUTURE ANNEXATION AREAS OF

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2019-4
(CITY OF ROSEVILLE-LIBERTY VILLAGE)
PLACER COUNTY, STATE OF CALIFORNIA

CLERK'S MAP FILING STATEMENT

FILED IN THE OFFICE OF THE SECRETARY OF THE BOARD OF
DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY
THIS _____ DAY OF _____, 2019.

SECRETARY

CLERK'S MAP CERTIFICATE

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES AND
THE FUTURE ANNEXATION AREA OF CALIFORNIA MUNICIPAL FINANCE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2019-4 (CITY OF ROSEVILLE-LIBERTY VILLAGE),
COUNTY OF PLACER, STATE OF CALIFORNIA, WAS APPROVED BY THE BOARD OF
DIRECTORS OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AT A REGULAR
MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2019, BY ITS
RESOLUTION NO. _____.

SECRETARY

RECORDER'S STATEMENT

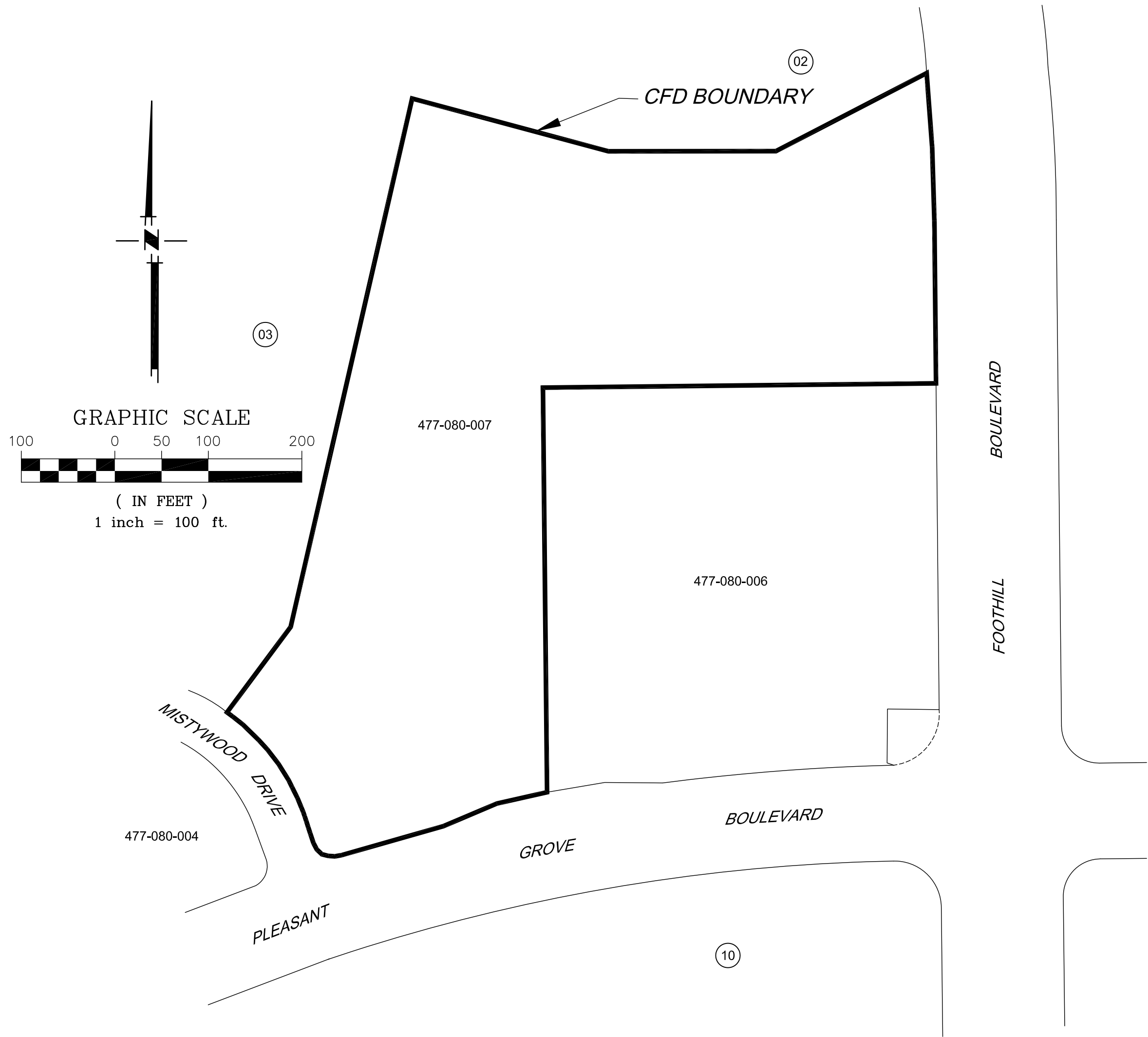
FILED THIS _____ DAY OF _____, 20____ AT THE
HOUR OF _____ O'CLOCK _____ M, IN BOOK _____ OF MAPS
OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____
THEREOF IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY
OF PLACER, STATE OF CALIFORNIA.

FEE _____

FILE NO. _____

PLACER COUNTY RECORDER

DEPUTY



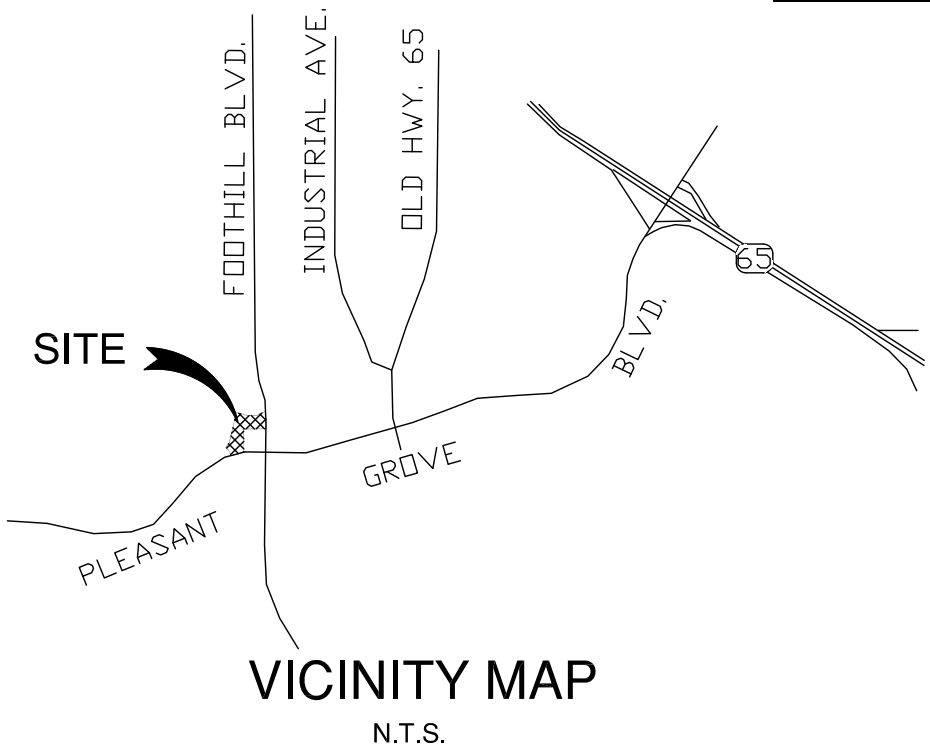
PG.
BK. 17
23

NOTE:

REFERENCE IS HEREBY MADE TO THE MAPS AND DEEDS OF RECORD
IN THE OFFICE OF THE ASSESSOR OF THE COUNTY OF PLACER FOR
THE DETAILED DESCRIPTION OF THE LINES AND DIMENSIONS OF
ANY PARCELS SHOWN HEREON.

LEGEND

- 477-080-007 ASSESSOR'S PARCEL NUMBER
ASSESSOR'S PARCEL LOT LINE
03 ASSESSORS PARCEL BOOK 447 PAGE 03
COMMUNITY FACILITIES DISTRICT NO. 2019-4





INTERNAL CONRTOLS AND POLICIES & PROCEDURES

Subject: Internal Controls and Policies & Procedures

Meeting: August 30, 2019

Background:

The CMFA, CFSC and CFPF Internal Controls, which include Policies & Procedures as an appendix, are reviewed annually. The proposed Internal Controls and Polices & Procedures include minor updates and clarifications.

Recommendation:

The Executive Director recommends approving the proposed Internal Controls and Policies and Procedures.



INTERNAL CONTROLS

Commitment to Excellence

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Internal Control Policy

ID: IC-100 Internal Control Policy		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 29

Purpose

The California Municipal Finance Authority (“CMFA”) uses a system of internal controls to protect CMFA assets, ensure the integrity and reliability of its information, secure compliance with laws, polices procedures, and ensures the performance of its business objectives. All references to the California Municipal Finance Authority or CMFA also refer to the California Foundation for Stronger Communities (“CFSC”) and California Foundation for Public Facilities (“CFPF”).

Internal Controls are processes that are established, reviewed, and continually monitored by the CMFA’s Board of Directors, Finance Committee and Financial Advisors. It is the responsibility of the Board of Directors, Finance Committee, Executive Director and Financial Advisors to ensure an adequate internal control system is actually implemented and used. It is the Finance Committee, Executive Director and Financial Advisors’ responsibility to establish and maintain adequate internal control over financial reporting. It is the responsibility of all parties to understand the internal controls and ensure they are effective.

Definitions

Assessable Unit

A unit is a division, department, or segment that is to be the subject of measurement and risk assessment.

Control Objectives

An Objective is a goal or target to be achieved for each internal control. Objectives are tailored to fit the specific operations in each assessable unit.

Cycle

The processes used to initiate and perform related activities in order to create the necessary documentation, and to gather and report related data (e.g., revenue cycle, accounts payable cycle).

General Control Environment

This includes concepts of integrity, ethical values, competence, philosophy and operating style, organizational structure, delegation of authority, and written policies and procedures.

Inherent Risk

Means the degree to which activities are exposed to the potential for loss, inappropriate disclosure, or other negative conditions.

Internal Control Review

This is a periodic review of internal methods and systems to determine whether adequate measures exist and are actually implemented to prevent or detect the occurrence of potential risks or incorrect financial reporting.

Project/Program Controls

These controls cover the planning, executing, and accomplishment of specific goals and objectives.

Risk Assessment

Risk assessment is the process of determining the relative potential for negative impact of an assessable unit's resources due to inadequate control techniques and/or other environment factors. The results of the assessment are used to mitigate inherent risks.

Internal Control Activities

- Policies
- Procedures
- Sequences or combination of procedures
- Assignments of duties, responsibilities, and authorities
- Physical arrangements or processes
- Combinations of the above

Control Framework

The CMFA has implemented an internal control system and framework based on its internal and external needs.

It is the policy of the CMFA to ensure that its control framework provides for strong corporate governance.

It is the policy of the CMFA that its internal control system be a relevant evaluation tool for internal control over financial reporting.

It is the policy of the CMFA that its own internal control framework and review evaluations:

- Be free from bias
- Permit reasonably consistent qualitative and quantitative measurements of the CMFA's internal control system
- Are sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of the CMFA's internal controls are not omitted

Control Environment

The core values of the CMFA promote high standards of integrity, ethics, and competence.

Risk Assessment

The CMFA has a Risk Management Policy and is aware of and deals with the risks it faces.

Control Activities

Control policies and procedures are established and executed to help ensure that actions necessary to achieve objectives are effectively carried out. These activities include an integrated system of policies, procedures, internal controls, and evaluation tools.

Information and Communication

Communication systems enable Financial Advisors to capture and exchange the information needed to conduct, manage, and control operations. They also provide mechanisms to relate information within the CMFA and to external parties.

Monitoring

The control process is monitored, evaluated, and modified as necessary to react to changing conditions. Control evaluations are a continuous process and are reported as required by certain regulations and CMFA policy.

Internal Control Policy Statements:

The CMFA shall use both management and accounting control measures. The internal control measures shall be designed to be detective, preventative, physical, technological, and corrective. The controls shall consist of hard controls, like testing, validating, reconciling, and measuring, and soft controls, like tone and attitude.

Management Controls

Management controls maximize efficiency and force compliance with CMFA policy, procedure, and government regulation.

Accounting Controls

Accounting controls relate to protecting CMFA assets and ensuring the accuracy of financial reports.

The CMFA uses policies and procedures associated with the activities concerned with authorizing, processing, recording, and reporting financial transactions. The accounting controls shall ensure that information resulting from these activities is accurate, reliable, and useful.

Policies and Procedures

The CMFA maintains sophisticated policies, procedures and internal controls.

Communication

The CMFA communicates its policies, procedures, and internal controls through various handbooks, programs, training, and computer network. The Finance Committee, Executive Director and Financial Advisors shall also communicate by example.

Financial Forecasting

The CMFA's Financial Advisors along with the CMFA Finance Committee will prepare financial forecasts.

External Auditing

The CMFA has external (CPA) audits performed annually.

Risk Assessment and Mitigation

The CMFA continually seeks to identify, assess, and mitigate business risks. The CMFA has defined risk management policies.

CMFA Mail

The person who opens the mail stamps the back of each check "For Deposit Only..."

Cash

The CMFA does not accept cash payments or maintain any petty cash accounts.

Check Stock

The blank check stock shall be secured in a safe or locked cabinet and accessible only by the CMFA Treasurer, Financial Advisor's Finance Manager or Financial Advisor's Operations Manager.

Blank Checks

The CMFA does not distribute blank checks.

Bank Signatories

The bookkeeper or accountants are not bank signatories. CMFA Treasurer, Assistant Treasurer, Executive Director, Financial Advisor's Finance Manager and Financial Advisor's Operations Manager or other designees as approved by the CMFA Board will serve as bank signatories.

Spoiled Checks

Spoiled checks are stamped VOID and if the check is signed, the signature should be removed (cut off).

Monthly Bank Statements

In most cases the Financial Advisor's Finance Manager will download the bank statement directly from the bank for reconciliation. If mailed bank statements are used for bank reconciliations, the monthly bank statement shall be transmitted unopened to someone other than the Financial Advisor's Accountant for an initial review. The initial review should confirm that all signatures were proper, no checks were altered, no unauthorized transfers occurred.

Fidelity Bonds

The CMFA will consider obtaining fidelity bonds on the CMFA Treasurer, Executive Director, Financial Advisor's Finance Manager, Financial Advisor's Operations Manager, Financial Advisor's Accountant and anyone else who control vulnerable assets.

CMFA Transactions

All transactions of the CMFA must be authorized, approved, executed and recorded.

Asset Accounting and Custody

When practicable, any individual that has custody of an asset should not perform the accounting for the asset. For example, an individual in charge of cash receipts should not reconcile the bank account.

Related Transactions

When practicable, no one person or department handles any transaction from start to finish.

Documentary Evidence

All transactions require documentary evidence to verify the transaction.

Serially Numbered Documents

All documents like checks and invoices will be serially numbered.

Control Modification

Policies, procedure, division of duties, forms, and other internal controls shall only be modified as authorized by the CMFA Finance Committee and approved by the CMFA Board of Directors.

Annual Internal Review

The CMFA reviews its control framework including, policies, procedures, division of duties, forms, systems, programs and training on an annual basis. This review is performed at the direction of the CMFA Finance Committee. All Financial Advisors are encouraged to provide input regarding controls and suggest measures that may help the CMFA be more effective in reaching its objectives.

Specifically, the CMFA's Financial Advisors, with the participation of the CMFA's Finance Committee, will evaluate any change in the CMFA's internal control over financial reporting that occurred during an annual period that has materially affected, or is reasonably likely to materially affect, the CMFA's internal control over financial reporting.

Annual Auditor Review

The CMFA's public accounting firm is required to annually attest to, and report on, the CMFA's Audit Committee and Financial Advisor's assessment of the effectiveness of the CMFA's internal control over financial reporting. The CMFA's public accounting firm is also required to develop and maintain evidential matter to support such assessment. Under no circumstances shall the CMFA's Audit Committee or Financial Advisors delegate responsibility to assess its internal controls over financial reporting to the auditor.

Internal Control Environment

ID: IC-120 Environment		Internal Controls	
Effective Date: 07/15/13	Last Revision: 09/30/2019	Version: 10.1	Total Pages: 2

The CMFA's Board of Directors and Financial Advisors have established and maintain an environment throughout the organization that sets a positive and supportive attitude toward strong corporate governance and internal control.

This document provides a checklist to review the internal control environment.

Values

Policies and Procedures

The CMFA has established and uses formal policies, procedures and codes of conduct and other devices communicating expected behavioral standards, acceptable business practices, and conflicts of interest.

The policies and procedures are comprehensive.

The policies and procedures are in writing.

The policies and procedures are communicated to and acknowledged by the Financial Advisors and Executive Director.

Tone

An ethical tone has been established by the CMFA Board of Directors, Finance Committee, Financial Advisors and Executive Director.

This ethical tone has been communicated to the Financial Advisors and Executive Director.

Obstacles exist that minimize temptation for unethical behavior.

The policies, procedures, and overall general attitude of the CMFA create a culture of conformity to high ethical and moral standards.

Financial Advisors and the Executive Director are not expected to achieve unrealistic goals.

Community

Dealings with the public, government, suppliers, auditors, and others are conducted based on standards communicated in the Ethics Policy.

CMFA reporting is proper and accurate (not intentionally misleading).

CMFA Board of Directors, Financial Advisors and Executive Director cooperate with auditors and other evaluators.

Accounting errors are quickly corrected.

The Code of Ethics and Business Conduct Policy is uniformly enforced.

Policies require that the CMFA Board of Directors with the recommendation of the CMFA Finance Committee can approve modification of the internal control system.

Organizational Structure

The organizational structure of the CMFA is appropriate and efficient given the environment.

The CMFA has a documented organizational chart.

The structure of the CMFA facilitates excellent communication throughout the CMFA.

Delegated Authority

The CMFA has a Delegated Authority Policy.

The delegation of authority is appropriate such that individuals are not responsible for activities they lack the authority or expertise to complete.

Oversight Groups

There are mechanisms in place within the CMFA to monitor and review ongoing operations.

An outside audit firm, who is independent from the CMFA, Financial Advisors and Executive Director audits and reviews CMFA activities.

Internal Control Activities

ID: IC-130 Activities		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 1

Overview

Internal control activities are the policies, procedures, and systems used help ensure proper general management and strong corporate governance. This includes both the CMFA's written documentation and the activities used to measure and evaluate performance and conduct. Specific control activities include internal and external reviews, authorizations and approvals, and the tools used to evaluate and measure performance and test the adequacy of the CMFA's internal controls system.

This document provides a tool to help evaluate the CMFA's overall control activities.

All relevant policies and procedures are in writing.

The CMFA Finance Committee, Financial Advisors and Executive Director are educated in internal control and participate in the process.

The CMFA has properly safeguarded its assets.

The CMFA utilizes a well-respected and sophisticated computerized accounting system.

The CMFA has a Division of Duties Policy and that policy is incorporated into all other relevant policies and procedures.

The CMFA has Records Management and retention policies and procedures.

Inspection of the records indicates they are properly current, classified, coded, and retained.

Internal control documentation exists and complies with CMFA and government requirements.

There is evidence of internal control review by Financial Advisors, Executive Director and CMFA Finance Committee.

There is evidence of external review, such as audited financial statements.

The audited financial statements will contain a review of the CMFA's internal controls.

Internal Control - Risk Assessment

ID: IC-140 Risk		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 1

Overview

The CMFA has established policies and procedures to identify, assess and manage both the internal and external risks it faces. The CMFA deals with risks on both an entity-wide basis and activity level basis.

This document provides an evaluation tool to assess the effectiveness of the CMFA risk management practices.

Establishment of Entity wide Objectives

The CMFA has a mission statement.

The CMFA has annual financial objectives / budgets.

Risk Identification

The CMFA has a Risk Management Policy.

The Risk Management Policy will be successfully integrated into business operations.

Risk Management occurs at CMFA Board, Financial Advisor and Executive Director levels.

Risk Management occurs for both entity-wide and activity level objectives.

Internal Control - Information and Communications

ID: IC-150 Information Communications		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 2

Overview

Internal control of information and communications refers to the controls ensuring timely communication of useful, relevant and reliable information. Information includes both financial and non-financial data that may relate to both internal and external events. Communication refers to the publishing of the information.

Information

Financial Advisors and Executive Director regularly review important internal information that is critical to achieving CMFA objectives.

Financial Advisors and Executive Director have mechanisms in place to ensure internal information is timely, useful, and accurate.

The CMFA has Financial Reporting Policies.

Financial Advisors and Executive Director regularly review internal and external information that may indicate either opportunity or risk to the CMFA.

The CMFA has a mechanism for identifying and distributing pertinent information to the correct people.

Communications

Financial Advisors and Executive Director ensure effective communication by regularly reviewing communication within the organization and with stakeholders.

Financial Advisors and Executive Director ensure accurate and effective communications with all stakeholders.

Financial Advisors and Executive Director ensure accurate information is communicated to outside parties.

Financial Advisors and Executive Director know and are comfortable that reprisals will not occur for reporting negative information or information concerning violation of CMFA policy, procedure, or internal control.

Stakeholder grievances and suggestions are welcomed, reported centrally, and used to identify internal control weaknesses and improve operations.

Significant risks and unusual circumstances are properly reported both internally and externally.

The CMFA Code of Ethics and Business Conduct Policy are properly communicated.

Communication Methods

The CMFA emphasizes the use of technology for communication.

The CMFA continually evaluates new and emerging communication technologies.

The CMFA continually monitors and enhances security with regard to the use of technology.

Internal Control - Monitoring

ID: IC-160 Monitoring		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 1

Overview

Monitoring refers to the continuous assessment and implementation of the CMFA's internal control system. Monitoring includes the normal day-to-day standard operating procedures used by the CMFA to conduct business and the evaluation of Financial Advisors understanding of those procedures. Monitoring also includes both internal and external quality assessments of the internal control system. The results of the quality assessments are used to produce a positive impact on the internal control system i.e. that recommendations are actually implemented.

The Finance Committee, Financial Advisors and Executive Director understand they are responsible to ensure that the internal controls are effective.

Financial Advisors and Executive Director know they are expected to notify the Finance Committee or Board of Directors of suspected internal control weaknesses.

Financial Advisors and Executive Director know they are expected to notify the Finance Committee or Board of Directors of information inaccuracies because they may indicate internal control weaknesses.

External CPA audits are conducted annually.

External CPA audits include a review of the CMFA internal control system.

Internal control weaknesses and deficiencies are immediately corrected by Financial Advisors.

Internal Control - Financial Reporting

ID: IC-200 Financial Reporting		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 1

There are policies and procedures established for month-end and year-end reporting of accounting transactions.

The CMFA has a detailed chart of accounts with descriptions of each account contents.

Accrual transactions are reviewed to determine that expenditure or revenue recognition is proper.

Journal entries are properly approved and documented as necessary.

Financial statements are reconciled to the general ledger prior to publication.

Internal Control - Revenue Cycle

ID: IC-210 Revenue Cycle Controls		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 1

Overview

The revenue cycle includes accounting transactions resulting from events that produce revenue for the entity. These include:

- Application fees
- Issuance fees and annual fees at bond closing
- Annual administration fees

Division of Duties

When practicable, Accounts Receivable recordkeeping is separate from cash receipts.

When practicable, Accounts Receivable personnel do not make general ledger entries.

When practicable, Bank reconciliations are prepared by persons independent of cash receipt responsibilities.

General Revenue Cycle Controls

Numbered forms are used for invoices and credit memoranda.

A/R aging reports are produced monthly and reviewed by the Treasurer and Assistant Treasurer, Executive Director and both the Financial Advisory firm's Accountant and Finance Manager.

Cash Receipts and Collections

In general, the CMFA receives payments in the form of check or wire transfer instead of cash.

If practicable, when cash is received by mail it is first handled by non-AR personnel.

Checks are restrictively endorsed.

Cash and Checks are deposited daily.

If practicable, personnel with access to cash will be bonded.

Internal Control - Accounts Receivable Procedures

ID: IC-220 Accounts Receivable		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Division of Duties

When practicable, the maintenance of Accounts Receivable accounts and related subsidiary ledgers should be separated from at least one of the functions of:

- Sending invoices to clients
- Establishing charges to the receivables accounts
- Recording cash receipts and preparing the deposits
- Approval of any adjustments or write-off to any receivable accounts
- Reconciling bank accounts

Persons other than those responsible for receivable record keeping handle disputed billings.

When practicable, the accounts receivable function is maintained independently of cash receipt and disbursement functions.

Non-cash credits, bad debt write-offs and credit memos are approved independently of processing, recording and collection.

Documentation

Procedures exist to prepare and send billings as soon after the performance of service as possible and at least within 30 days.

Adequate control exists over the mailing / emailing of invoices and statements to prevent interception prior to the mailing.

Transactions

All billings are controlled and properly accounted for with numerical processing controls.

All valid receivables are promptly recorded.

All adjustments to the accounts are recorded in the appropriate period.

Credit balances are reviewed periodically.

Billing and collection transactions are reviewed periodically to ensure compliance with Accounts Receivable Policy.

Collections of accounts receivable are deposited daily.

Collections

A responsible manager reviews the accounts receivable aging at least monthly.

All collections of accounts receivable are posted to individual receivable accounts.

Materiality write-off

Any invoice overpayment or underpayment in an amount of \$10.00 or less may be written off.

Reason for writing off an account are adequately documented either in the accounting software as a memo or in the customer A/R file.

Bad Debt write-off

Reasons for writing off an account are adequately documented.

Write-off of bad debt accounts and adjustments for disputed amounts or other items are approved by the CMFA Treasurer, Assistant Treasurer or Executive Director.

Internal Control - Expenditure Cycle

ID: IC-300 Expenditure Cycle Controls		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 1

Division of Duties

When practicable, Accounts Payable is separate from, receiving, and disbursement functions.

General Expenditure controls

If available, supporting documents are attached to invoices submitted for payment.

Check controls are in place.

The Financial Advisor's Accountant is not a check signer.

Approval per the Disbursement Approval Procedure is required prior to checks being released.

Positive pay must be used for all check payments. Financial Advisors will import / enter check information into banking system and a Board Member or Executive Director must approve check file.

The Financial Advisor's Operations Manager is the primary check signer and the Financial Advisor's Finance Manager is the backup check signer.

Checks payable to Financial Advisors must be signed by a CMFA Board Member or Executive Director signatory.

Blank checks are not distributed to vendors or others.

Signed checks are immediately mailed.

Check signers are required to take vacations.

Internal Control - Purchasing

ID: IC-310 Purchasing		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 1

Overview

The CMFA does not typically purchase assets to be used in the general course of business. Expenditures related to marketing events or other activities are approved by the CMFA Board of Directors.

Approval

Purchases of goods and services by the CMFA are approved by the CMFA Board of Directors or their authorized representatives.

General Controls

Vendor invoices are received and reviewed by the Financial Advisor's Finance Manager or Operations Manager prior to being entered in the Accounts Payable system.

Purchasing Payments are processed based on the Accounts Payable Policies and Disbursement Approval Procedure.

Internal Control - Accounts Payable

ID: IC-320 Accounts Payable		Internal Controls	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 2

Purpose/Discussion

This document provides a checklist to review the Internal Control of Accounts Payable.

Division of Duties

When practicable, reviewing and entering of payables into the accounting system is separate from the processing of vendor check payments.

Purchasing

All expenditures are approved in accordance with the CMFA written Accounts Payable Policies and Procedures.

Accounts Payable

Invoices are reviewed for accuracy.

Vendor credit memos are resolved promptly by cash refund or proper credit to the account.

Payments based on the CMFA program guidelines such as JPA Member distributions, charitable distributions and Financial Advisor payments may be processed after the bond closing and the CMFA receives payment from Borrower. Payments require proper authorization as outlined in the Disbursement Approval Procedure.

Annual administration fees payable to Financial Advisors may be processed after receipt of payment by the CMFA. Payments require proper authorization as outlined in the Disbursement Approval Procedure.

Performance deposit refunds may be processed after either:

- a) notification by borrower of withdrawal of the allocation application prior to allocation being awarded by the California Debt Limit Allocation Committee ("CDLAC")

- b) notification by borrower of a partial reduction in the amount of allocation to be requested from CDLAC
- c) notification from CDLAC that allocation was not awarded to borrower
- d) receipt of a release of allocation notice from CDLAC

Performance deposit refunds require proper authorization as outlined in the Disbursement Approval Procedure.

Materiality Write-Off

Overpayments or underpayments that total less than \$10.00 per vendor may be written off.

Reason for writing off a vendor adjustment are adequately documented either in the accounting software as a memo or in the customer A/P file.

Internal Control - Check Controls

ID: IC-330 Check Controls		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Overview

This document describes the procedures required to maintain proper control of CMFA checks. The following procedures are discussed:

- Check Signing
- Distribution of Signed Checks
- Transmittal of Checks
- Voided or Canceled Checks
- Stop Payment Orders
- Paid, Voided and Canceled Check Storage

Check Signing

All checks are manually signed by an authorized signatory. Facsimile signatures are not used.

Board Member signers may sign any check.

Financial Advisor signers may sign any check EXCEPT checks payable to Financial Advisor. Financial Advisor checks can only be signed by a Board Member signer or Executive Director.

After all the checks are signed, they are immediately mailed to the payee.

Distribution of Signed Checks

Signed checks awaiting distribution or pick-up must be kept in a locked storage place accessible only to the check custodian.

All other A/P checks should be mailed in a timely manner.

Voided or Canceled Checks

A voided check is a check spoiled in the process of preparation, before it is recorded.

A canceled check is a check that is not paid by the bank, but is recorded and reversed in the accounting records.

The words "VOID" or "CANCELED" shall be prominently placed across the payee's name. Both voided and canceled checks shall be retained in accordance with the Records Schedule.

Stop Payment Orders

The bank's acknowledgment of the stop payment order should be attached to the original check stub and filed with voided and cancelled checks.

Internal Control - Cash

ID: IC-410 Cash		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Purpose

This document provides a checklist to review your internal control over cash handling, cash disbursements, and cash receipts.

Division of Duties

When practicable, the responsibility for collection and deposits is separate from the recording of cash receipts and general ledger entries.

When practicable, the responsibilities for cash receipts and cash disbursements are separate.

When practicable, the responsibilities for preparing checks and approving checks is separate from the recording or entering of invoices in accounts payable and the general ledger.

When practicable, the responsibility for making entries in the cash receipts and cash disbursement systems is separate from making general ledger entries.

When practicable, the collecting of cash and reconciliation of the bank account are separate functions.

Documentation

General ledger control exists over all bank accounts.

Bank Signatories are periodically reviewed.

Accounts payable documentation is noted when payment is made to prevent duplicate payments.

Reconciliation is performed on all accounts, using supporting documentation.

Cash receipts are controlled at the earliest point of receipt.

Cash receipts are deposited on a timely basis.

A restrictive endorsement is placed on each incoming check upon processing by the electronic check deposit system.

Un-deposited cash receipts are stored in a secured area.

During bank reconciliation procedures, deposit amounts are compared with the cash receipt entries.

When practicable, Financial Advisors that handle cash are bonded.

Internal Control - Data Integrity

ID: IC-550 Data Integrity		Internal Controls	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 1

Division of Duties

Data input and processing activities are separated where applicable.

Incompatible duties are identified and the CMFA uses user id and password controls to enforce the segregation of duties.

Disaster Controls

Computer data is backed up on at least a weekly basis.

Data is backed up to off-site locations.

Procedures

Data is entered in a timely manner.

Data entry users have unique user id's and passwords.

User passwords are changed periodically.

Procedures exist to ensure that terminated Board Member, Financial Advisor and Executive Director user id's and passwords are immediately deleted.

All security violations are documented and investigated.

Appendix – Policies & Procedures

Disbursement Approval Procedure

ID: Admin-210 Disbursement Approval Procedure		Administration	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 1

<u>Item</u>	<u>Authorization Required for Payment (Only One Approval Required)</u>
Program Payments (JPA Member, Charity, Financial Advisor, Escrow, etc.)	CMFA Board, Treasurer, Assistant Treasurer, Executive Director, Financial Advisor or designee except for exclusions noted in Accounts Payable Procedures
Reimbursements	CMFA Board, Treasurer, Assistant Treasurer or designee
Independent Contractor	CMFA Board, Treasurer, Assistant Treasurer or designee
Insurance	CMFA Board, Treasurer, Assistant Treasurer or designee
Marketing Expenditures	CMFA Board, Treasurer, Assistant Treasurer or designee
Professional Fees	CMFA Board, Treasurer, Assistant Treasurer or designee
Real Property Leases	CMFA Board
Services	CMFA Board, Treasurer, Assistant Treasurer or designee
Supplies	CMFA Board, Treasurer, Assistant Treasurer or designee
Subscriptions	CMFA Board, Treasurer, Assistant Treasurer or designee
Utilities	CMFA Board, Treasurer, Assistant Treasurer or designee
Other	CMFA Board

Approved Forms of Authorization:

1. Board Resolution
2. Email Confirmation / Approval
3. Approval of Positive Pay File

Code of Ethics and Business Conduct Policy

ID: Admin-300 Code of Ethics		Administration	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 4

Overview

This policy describes the code of conduct expected of all Board of Directors, Financial Advisors and Executive Director. It is general and not intended to be all-inclusive.

Policy

The CMFA is committed to being an ethical and responsible member of society. In order to ensure the highest standards of ethics, honesty, governance, and integrity are maintained, we have adopted this Code of Ethics Policy. We refer to the elements of this policy as our Code. Our Code provides the guidelines and standards for acceptable business conduct.

It is our policy that all Board of Directors, Financial Advisors and Executive Directors shall abide by and comply with the Organization's Code.

An individual that believes they have discovered a matter that appears to be in violation of the Code has a duty to report the matter. This matter may be reported to the individual's supervisor or to the CMFA Board of Directors.

We have also adopted a policy to ensure that individuals reporting a genuine concern or complaint will not be discriminated or retaliated against and have the opportunity to make such reports anonymously.

Applicable Laws

The conduct of the CMFA and its Financial Advisors and Executive Director are to be in compliance with the laws and regulations relating to the CMFA's business.

Generally Accepted Government Auditing Standards (GAGAS)

Generally Accepted Government Auditing Standards are accounting principles that are considered to have substantial authoritative support. All CMFA records are to be in compliance with GAGAS and Securities and Exchange Commission laws and regulations.

Financial Advisors are expected to maintain accurate and reliable corporate records that comply with GAGAS, the SEC, and CMFA policies and procedures.

The CMFA Chair, Treasurer, and others identified by the Board have specific legal obligations to ensure the CMFA provides full, fair, accurate, timely, and understandable financial reports and internal controls.

Equal Employment Opportunity

We do not tolerate unlawful discrimination or harassment of any kind. Employment here is based solely on your merit and qualifications.

Moral and Ethical Standards

All individuals are expected to adhere to sound moral and ethical standards.

Loyalty

All individuals have a duty of loyalty to the CMFA and may not take personal advantage of any opportunity that properly belongs to the CMFA.

Kickbacks and Gratuities

The CMFA considers it to be unethical and illegal for any individual to accept or offer payment, gift, gratuity, or employment to or from vendors, contractors, or government officials as an inducement for preferential treatment. All offers for kickback and gratuity shall be reported to the Audit Committee.

Conflicts of Interest

No employee, officer, or director shall be, potentially be, or appear to be, subject to influences, interests, or relationships, which conflict with the best interests of the CMFA.

Financial Advisors should not engage in outside interests without knowledge of the CMFA Board that divert time and attention from properly attending to CMFA affairs.

The CMFA does not make loans to or guarantee obligations of CMFA Officers and Directors, Financial Advisors or Executive Director.

Improper Influence on Conduct of Audits

No Officer, Director, or any other person acting under the direction thereof, shall take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the CMFA for the purpose of rendering such financial statements materially misleading. Examples of such behavior include, but are not limited to:

Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services.

Providing an auditor with an inaccurate or misleading legal analysis.

Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the CMFA's accounting.

Seeking to have a partner removed from the audit engagement because the partner objects to the CMFA's accounting.

Blackmailing and making physical threats.

Confidential Information.

Financial Advisors and Directors may not divulge confidential or proprietary information except as authorized by the Board of Directors in a properly noticed meeting.

Political Activities

No CMFA funds or assets will be contributed or used for the purpose of influencing any election.

Safety and the Environment

The CMFA is committed to full compliance with all safety and environmental laws and regulations. All Financial Advisors and the Executive Director are expected to comply with these laws, regulations and CMFA policies.

Antitrust

Any planning or acting together with competitors about the nature, extent, or means of competition is a violation of CMFA policy and antitrust laws. This includes, but is not

limited to, price fixing, sales or production quotas, geographic competition, and boycotts.

Compliance Procedures

Any employee who knows, or has reason to believe, of violations to this Code or other CMFA policies and procedures is expected to promptly report the violation to:

Name: Edward J. Becker
Telephone: ((909) 809-0166
FAX: N/A
Email: ebecker@cmfa-ca.com
Mail: PO Box 239
Lytle Creek, CA 92358-0239

Reporting may be anonymous. No individual will be subject to retaliation, discrimination, or other adverse treatment for reporting known or suspected violations of this and other CMFA policies and procedures.

As part of its regular auditing procedures, the CMFA and Financial Advisors will periodically review internal policies and procedures and report their finding to Board of Directors.

The CMFA's external auditors are also expected to report in writing any known or suspected violations of this and other CMFA policies.

Delegated Authority Policy

ID: Admin-500 Delegated Authority		Administration	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Overview

It is necessary to identify the CMFA officials, Consultants and Advisors who have authority to conduct CMFA Business. This policy shall delegate to the Board Chair, Treasurer or Assistant Treasurer all authority to further delegate approval authority as is necessary to conduct the organization's business.

Under this Policy approval authority is granted as follows:

Discussion

The Financial Advisor's Finance Manager and Operations Manager as well as the CMFA Executive Director are authorized to execute any instrument which has been specifically approved by the CMFA Board, Treasurer, Assistant Treasurer or other designated Board Officer or which does not require prior approval pursuant to other parts of this policy.

The Secretary and any Assistant Secretary Designee are authorized to attest the signature of the above named officers on any instruments executed by them pursuant to this policy.

Accounting Adjustments

All adjustments to the general ledger in amounts greater than those outlined in the Accounts Receivable Procedures and Accounts Payable Procedures shall be approved by the Treasurer, Assistant Treasurer, Financial Advisor's Finance Manager or Executive Director.

Accounts Receivable Write offs

All accounts receivable write offs in amounts greater than those outlined in the Accounts Receivable Procedures shall be approved by the Treasurer, Assistant Treasurer or Executive Director.

Bank Signatories

The CMFA Treasurer, Assistant Treasurer, Executive Director, Financial Advisor's Finance Manager and Financial Advisor's Operations Manager and any other designees approved by the CMFA Board are authorized Bank Signatories.

Disbursements

The CMFA Board authorizes disbursements according to the Disbursement Approval Procedure.

Accounts Payable Policy

ID: AP-100 Accounts Payable Policy		AP & Disbursements	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Purpose and Scope

The purpose of this policy is to describe the principles of business conduct expected of all officials and consultants in relation to the issuance of payments for CMFA obligations, and to safeguard CMFA assets. This policy is general and not intended to be all-inclusive.

Applicable Laws

The conduct of the CMFA and its employees are to be in compliance with the laws and regulations relating to the CMFA's business.

Approval Authority

Approval authorities are identified in the Delegated Authority Policy, Accounts Payable Procedures, and Disbursement Approval documents.

Generally Accepted Government Auditing Standards (GAGAS)

All CMFA records are to be in compliance with Generally Accepted Government Auditing Standards.

Moral and Ethical Standards

All parties are expected to adhere to sound moral and ethical standards.

Kickbacks and Gratuities

The CMFA considers it to be unethical for any Board Member, Financial Advisor or Executive Director to accept payment, gift, gratuity, or employment offers from vendors or contractors as an inducement for preferential treatment in the payment of CMFA obligations. All offers for kickback and gratuity shall be reported to the Treasurer.

Loyalty

No employee should be, or appear to be, subject to influences, interests, or relationships, which conflict with the best interests of the CMFA.

Timeliness

In order for our financial records to be accurate and our vendors to be paid in a timely manner, our Financial Advisors and Executive Director must carry out their assigned duties in a timely manner.

Accounts Payable Procedures

ID: AP-200 Payables Procedures		AP & Disbursements	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 3

Overview

Accounts Payable is the process of keeping track of CMFA financial obligations. It involves the acceptance of invoices from vendors, recording the invoices in the accounting system, and payment to vendors. This section describes the procedures and forms used in accounts payable.

The purpose of this procedure is to provide consistent Accounts Payable procedures in the handling of invoices and issuance of checks. These procedures are intended to provide safeguards for maintaining the quality and integrity of the accounts payable system.

General Accounts Payable Guidelines

Segregation of Duties

If practicable, the person entering new vendors into the accounting system should not approve invoices or approve new vendor setup.

If practicable, the person processing invoices does not make general ledger entries.

If practicable, the person writing the checks does not also prepare the bank reconciliation.

If practicable, preparation of cash disbursements, approval, and making entries to the general ledger should all be separate functions.

The person writing the checks does not also import / enter the paid check file into the bank positive pay system.

Only the Treasurer, Assistant Treasurer, Executive Director or other designated Board Member may provide the approval of the positive pay file in the bank system.

Approval Authority

Disbursement Approval Procedure

Disbursements are approved for payment according to the Disbursement Approval Procedure.

Existing Vendors

CMFA policy is to buy from vendors where the CMFA has an existing account.

New Vendors

Only the CMFA Treasurer, Assistant Treasurer, Executive Director, Financial Advisor's Finance Manager or Financial Advisor's Operations Manager may authorize new vendor accounts.

Setting up and maintaining Vendors in the Computer

When practicable, the A/P clerk does not set up or maintain vendors in the accounting system.

Coding and Entering Invoices

Invoices will be coded to the appropriate income / expense account listed in the CMFA's accounting system. New GL accounts will only be created by the Treasurer, Assistant Treasurer or Financial Advisor's Finance Manager.

Payment

Selecting Invoices for Payment

All accounts payable invoices should be processed in a timely manner. Checks for payment of CMFA obligations will be issued no later than one week prior to the vendor due date. Cash disbursements should be prepared by the Financial Advisor's Accountant, Financial Advisor's Finance Manager or Financial Advisor's Operations Manager for signature by an authorized bank signatory.

Scheduled Payments

Recurring payments will be placed on the Memorized Transaction List as authorized by the Delegated Authority Policy. The Financial Advisor's Finance Manager or Financial

Advisor's Staff Accountant will review the list on a quarterly basis. The Memorized Transaction List will be considered payment authority for vendor obligations on the list.

Check Signing & Processing

The CMFA does not utilize facsimile signatures or signature plates.

Checks will be signed manually by an authorized Financial Advisor or CMFA Board Member bank signatory after invoice or credit memo review.

Prior to any checks being disbursed, disbursement approval must be received as outlined in the Disbursement Approval Procedure.

Financial Advisor or Executive Director may not act as the signatory for checks made payable to them or their firm.

Financial Advisor may enter ACH Payments into the banking system but a secondary approval must be made by another authorized signatory.

Executive Director may provide secondary approval of an ACH payment made payable to them that was entered into the banking system by another authorized signatory.

All checks will be mailed as soon as this process is completed.

A positive pay file will be uploaded in a timely manner into the bank system and approved by someone other than the Financial Advisor.

CMFA Treasurer, Assistant Treasurer Executive Director and Financial Advisors will be set up to receive email alerts from the bank for any of the following events:

- A check was presented that was not entered in the positive pay system.
- Account Overdraft
- Outgoing wire transfer payment

Supporting documentation should be filed in appropriate vendor files.

The Financial Advisor's Finance Manager will utilize the paid invoice files to respond to any discrepancies that arise with vendors or other payees.

Once monthly, the Financial Advisor's Finance Manager will check the invoice log to determine if there are any outstanding invoices that have not yet been paid. If so, the Financial Advisor's Finance Manager will investigate the nonpayment of these invoices with the responsible staff member.

Check Stock and Check Signer Security

The CMFA will not utilize facsimile signatures and will not have signature plates or signature stamps. All check stock will remain in a safe or locked drawer under control of the Financial Advisor's Finance Manager or Financial Advisor's Operations Manager until checks are ready to be printed.

Division of Duties Policy

ID: Admin-510 Division of Duties		Administration	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Overview

The Authority has defined in the policies, procedures, and internal controls, duties that should be divided or separated when practical. This document discusses the concept of division or segregation of duties.

Duties that are not compatible are identified in the related policy and procedure documents.

Who should read this Document?

It is the CMFA Treasurer, CMFA Assistant Treasurer, Executive Director and Financial Advisors responsibility to ensure that duties are properly segregated or that proper controls are in place when duties cannot be ideally segregated.

Discussion

One of the most important considerations in delegating office duties to employees is to be aware of and guard against employee fraud, theft, and embezzlement. Employees that handle the Authority finances have the greatest opportunity to misappropriate Authority funds. Although most people are honest and theft may not be a widespread problem, it does happen. The only cases of theft, fraud, and embezzlement you hear about are the ones in which someone actually is caught. Both the Authority and its employees must be cautious not allocate duties such that theft is easy because the door was left open.

Minimizing the opportunity for wrongdoing is not difficult. Read the internal control policy and implement the procedures. Understand the formula that leads to potential problems:

When practicable, the following three functions should be separated:

- Authorization (including signing checks)
- Record keeping (including entering accounting information)
- Custody of assets (including blank checks)

At a minimum, the CMFA Treasurer, Assistant Treasurer, Executive Director or designee must review and approve the check positive pay file on the banking system.

The CMFA Treasurer, Assistant Treasurer, or Executive Director must review and approve the establishment of wire templates for recurring payments or the transmittal of a free form wire transfer. Once wire templates for recurring wires are approved authorized signers may process payment after normal approvals are received.

Duties that are not compatible and should be segregated, when practicable, include:

The custodian of an asset DOES NOT keep records of the asset

The record keeper DOES NOT check the records

The checker of the records DOES NOT review the checks

The approver DOES NOT enter data

The person who enters reference data DOES NOT enter transaction data

The contract maker DOES NOT raise/receive invoices

The raiser/receiver of invoices DOES NOT handle receipts/payments

<u>ASSET</u>		<u>TRANSACTION</u>		<u>OPPORTUNITY</u>
Custody of Customer checks without independent Mail Log	+	Input customer credits, adjustments or write-offs	=	Theft of cash
	+	Prepare / make bank deposits	=	Theft of cash
	+	Make collection calls	=	Theft of cash
	+	Reconcile Bank Account	=	Theft of cash
<hr/>				
Open monthly bank statement	+	Reconcile Bank Account	=	Improper payments to vendors
<hr/>				
Approve funds transfer and/or Bank Signatory	+	Reconcile Bank Account	=	Improper payment
	+	Input vendor master file	=	Improper payment
	+	Enter vendor invoices	=	Improper payment
	+	Input vendor/employee adjustments	=	Improper payment

Financial Reconciliations

ID: Finance-050 Reconciliations		Financial Reporting	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 2

Financial Reconciliations

Reconciliations

Cash Flow

The Financial Advisor's Finance Manager shall monitor the checking account balances and notify the Treasurer, Assistant Treasurer, or Executive Director when fund transfers are necessary.

Bank Reconciliations

Bank statements are either downloaded directly or received unopened by the Financial Advisor's Finance Manager to reconcile the bank accounts.

The Financial Advisor's Finance Manager reconciles each account promptly upon receipt of the bank statements. All accounts are reconciled no later than 7 days after receipt of the monthly bank statements.

Bank Reconciliation Procedures

A comparison of dates and amounts to the daily deposits as shown on the bank statements and the accounting software and any cash receipt logs

A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.

An investigation of items rejected by the bank, i.e., returned checks or deposits.

A comparison of wire transfers dates received with dates sent.

A comparison of cleared checks with the disbursement journal including check number, payee and amount.

An accounting for the sequence of check runs and hand checks including both from month to month and within a month.

A review and proper mutilation of void checks.

Investigate and write off checks and initiate a stop payment with the bank for those checks that have been outstanding for more than six months.

The completed bank reconciliations are provided monthly by email to the CMFA Treasurer, Assistant Treasurer and Executive Director. A copy is also distributed to the Financial Advisor's Operations Manager.

Copies of the completed bank reconciliations are filed and retained according to the Records Management Policy.

Reconciliations of Other General Ledger Accounts

Each month the Financial Advisor's Finance Manager and Staff Accountant review the ending balance shown on balance sheet accounts such as the cash accounts, accounts receivable and accounts payable.

The CMFA Treasurer, Assistant Treasurer and Executive Director review the bank reconciliations, schedules of accounts receivable and the aging of accounts payable to support the balances shown on the balance sheet.

Balance Sheet Account Reconciliations

- Cash including petty cash
- Prepaid Expenses
- Escrow Deposits
- Property and Equipment
- Liabilities including A/P

Income Statement Reconciliations

- By Revenue Type
- Expenditures by Type

Financial Reporting Policy

ID: Finance-200 Financial Reporting		Financial Reporting	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Overview

All well managed entities have deadlines for the production and review of financial reports. This document communicates the Authority financial reporting policy and specifies certain dates for information publication.

Listed below are the Authority's minimum financial reporting requirements.

Income Statement

The income statement for the previous month shall be produced by the earlier of the 10th business day of the current month or the first CMFA Board meeting of the current quarter. A month end Income Statement shall be included in the Monthly Report Binder.

Annual Income Statements will be completed and reviewed by an outside audit firm within 90 days of fiscal year end.

Balance Sheet

The balance sheet for the previous month shall be produced by the earlier of the 10th business day of the current month or the first CMFA Board meeting of the current quarter. A month end Balance Sheet shall be included in the Monthly Report Binder.

Annual Balance Sheets will be completed and reviewed by an outside audit firm within 90 days of fiscal year end.

Accounts Receivable & Accounts Payable Aging

The accounts receivable and accounts payable aging reports shall be produced and reviewed monthly. Month end A/R & A/P aging reports shall be included in the Monthly Report Binder.

Profit & Loss by Job

The Profit & Loss by Job report will be produced by the earlier of the 10th business day of the month or the first CMFA Board meeting of the Quarter. All activity for the current month will be reconciled to the CMFA Transaction Planning Spreadsheet. A month end Profit & Loss by Job report shall be included in the Monthly Report Binder.

CDLAC Escrow Balance Report

The CDLAC Escrow report will be produced by the earlier of the 10th business day of the month or the first CMFA Board meeting of the Quarter. All activity for the current month will be reconciled to the CMFA Transaction Planning Spreadsheet. A month end CDLAC Escrow Balance shall be included in the Monthly Report Binder.

Monthly Report Binder

The Financial Advisors will produce a monthly binder containing all of the previously listed monthly reports. It shall be ready for distribution to the CMFA Treasurer, Assistant Treasurer and Executive Director no later than the 15th business day of the current month.

Accounts Receivable Policy

ID: AR-100 AR Policy		Accounts Receivable	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 2

Purpose

CMFA Policy is to bill customers in a timely manner depending on the service being billed.

Division of Duties

When practicable, more than one individual will be responsible for at least one of the following activities:

- Review and sending of customer invoices
- Customer master file maintenance
- Recording of charges
- Recording of cash collections
- Reconciliation of bank accounts

Approval of write-off requests and non-cash credits will be approved by management levels above the staff accountant.

Billing and Invoicing

Prompt billing and invoicing for products and services provided by the CMFA are essential for effective management of receivables. Information must be maintained on the status of all unbilled accounts to ensure that all actions necessary for the preparation of the invoice so that the invoice may be issued as expeditiously as possible.

Responsibilities and Administration

The Financial Advisor's Finance Manager and Staff Accountant, unless described below, will administer all accounts receivable.

The Financial Advisor's Finance Manager and Staff Accountant will be responsible for monitoring the status of all receivables, billing, producing monthly statements, and performing the necessary collection activities to assure timely receipt of payments.

It is the responsibility of the Finance Manager and Staff Accountant to:

Ensure timely billings, unless contractual requirements specify otherwise.

- Accounts shall be billed when payment is received for application fees
- Accounts shall be billed at or before closing for new bond issuances
- Accounts shall be billed between thirty (30) and sixty (60) days prior to the anniversary date for annual administration fees

Maintain an accurate record of receivables transactions detail.

Ensure the AR systems is effectively integrated with other applicable accounting systems.

Provide and AR Aging report to management.

Provide realistic estimates of doubtful accounts.

Properly account for receivables that are written off.

Recognize and report receivables in accordance with Generally Accepted Government Auditing Standards (GAGAS) as required.

Maintain a record of year-end receivable balances.

Provision for Bad Debts

In order for realized revenue to be reflected properly, bad debts must be regularly recognized in the CMFA accounts. The CMFA shall establish and maintain a reserve for bad debts with regular charges against operating revenue. These charges shall be approved by the CMFA Treasurer or Assistant Treasurer. Detailed records of any amounts written off shall be maintained.

Physical Security

Adequate physical security will be maintained over receivable records to protect them against loss or manipulation.

Revenue Recognition Policy

ID: RR-100 Revenue Recognition Policy		Revenue Recognition	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 1.0	Total Pages: 2

Discussion

Revenue is recognized when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the CMFA.

Application Fees

Application fees are non-refundable, with a few exceptions, and due at the time an application for assistance is received by the CMFA. Revenue related to Application Fees is recognized at the time a signed application is received. In many cases, the application may be submitted electronically prior to the date the payment is actually received and therefore a receivable will be established. Application fees are applied towards the Issuance Fees if a transaction closes.

Issuance Fees

Issuance Fees are non-refundable and due at the time a transaction closes. Revenue related to Issuance Fees (net of application fee discount) is recognized on the date the transaction closes.

Annual Fees

Annual Fees are payable annually in advance and are non-refundable. The first Annual Fee is due along with the Issuance Fee at closing and subsequent Annual Fees are due on the anniversary date of the bond issuance. Annual fees are calculated on the outstanding bond balance as of the anniversary date and may be subject to minimum fee amounts as outlined in the CMFA's published Fee Schedule. The Annual Fee is NOT prorated or adjusted for any scheduled principal reductions during the year and is non-refundable.

Annual Fees are used to fund the general administration of the CMFA and do not represent any obligation the CMFA has towards a specific borrower that has utilized the CMFA's services.

Because Annual Fee revenue is non-refundable, not prorated and does not represent any future obligation or services to be provided by the CMFA to a specific borrowing entity, Annual Fee revenue is recognized in full on the anniversary date of the original bond issuance.

Responsibilities and Administration

The Financial Advisor's Finance Manager and Staff Accountant will administer the Revenue Recognition Policy.

ID: IP-100 Investment Policy		Investment Policy	
Effective Date: 07/19/13	Last Revision: 07/19/13	Version: 1.0	Total Pages: 9

Introduction

The purpose of this Investment Policy (the “Policy”) is to provide guidelines for the prudent investment of the California Municipal Finance Authority’s (the “CMFA”) funds in conformance with California Government Code requirements governing the investment of public funds. Funds will be managed to provide for daily cash flow requirements and to meet the objectives of this Policy.

Scope

This Policy applies to activities of the CMFA with regard to investing the financial assets of all funds. In addition, funds held by trustees or fiscal agents are excluded from these rules; however, all funds are subject to regulations established by the State of California.

Investment Objectives

As specified in Government Code Section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the CMFA’s investment activities and of this Policy shall be:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit risk and interest rate risk.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
3. **Yield:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

Delegation of Authority

The authority of the CMFA's Board of Director's (the "Board") to invest or reinvest funds of the CMFA is delegated by Board Resolution in conjunction with the annual investment policy review. Management responsibility for the investment program is hereby delegated to the Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the Treasurer. The Treasurer shall establish procedures for the management of investment activities, including the activities of staff consistent with this Policy.

The Treasurer may retain the services of an outside financial advisor, executive director or qualified outside manager (all collectively referenced as "investment officers") as approved by the Board to assist with the CMFA's investment program. Qualified outside managers will be either SEC Registered Financial advisors or Bank Money Managers. The investment officers shall make all investment decisions and transactions in accordance with State and Federal law, this Policy, and such other written instructions as are provided. The performance and service levels of the investment officers shall be reviewed annually.

Prudence

All participants in the investment process shall recognize that the investment program is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The standard of prudence to be used by the CMFA shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The Treasurer and the delegated investment officers, acting in accordance with written procedures and this Policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

The "prudent person" standard states that,

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the CMFA.

Authorized Financial Institutions, Depositories, and Broker/Dealers

1. Authorized Financial Institutions, Depositories, and Broker/Dealers

A list will be maintained of financial institutions and depositories authorized to provide investment services as described in Exhibit A. In addition, a list will be maintained of approved security broker/dealers selected by conducting a process of due diligence. These may include 'primary' dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

A. The Treasurer shall determine which financial institutions are authorized to provide services to the CMFA. Institutions eligible to transact investment business with the CMFA include:

1. Primary government dealers as designated by the Federal Reserve Bank;
2. Nationally or state-chartered banks;
3. The Federal Reserve Bank; and
4. Direct issuers of securities eligible for purchase.

B. Selection of financial institutions and broker/dealers authorized to engage in transactions with the CMFA shall be at the discretion of the Treasurer or CMFA Board.

C. All broker/dealers who desire to become qualified for investment transactions must supply the following (as appropriate):

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of FINRA certification

- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the CMFA's investment policy
- Evidence of adequate insurance coverage

D. All financial institutions who desire to become depositories must supply the following (as appropriate):

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of state registration
- Evidence of adequate insurance coverage

E. A periodic review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Treasurer.

2. Minority, Emerging and Community Financial Institutions

From time to time, the investment officer may choose to invest in instruments offered by minority, emerging and community financial institutions. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law.

3. Competitive Transactions

- A. The investment officer shall obtain competitive bid information on all purchases of investment instruments purchased on the secondary market. A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- B. If the Entity is offered a security for which there is no readily available competitive offering on the same specific issue, then the Investment

Officer shall document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities as the same original issue price.

Safekeeping and Custody

1. Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the CMFA's safekeeping institution prior to the release of funds.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the CMFA. All securities will be evidenced by safekeeping receipts in the CMFA's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls - Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

3. Internal Controls

Management shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the finance committee, where present, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the CMFA.

Suitable and Authorized Investments

1. Investment Types and Credit Guidelines

Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, the following investments will be permitted by this policy and are those defined by state and local law where applicable. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the CMFA until this Policy has been amended and the amended version adopted by the governing body. Typical types of securities include:

- U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest;
- Federal Agency or U.S. government sponsored enterprises (GSE) obligations, participations or other instruments;
- Bankers' acceptances;
- Federally insured time deposits (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - a. The amount per institution is limited to the maximum covered under federal insurance plus any third party guaranty acceptable to the Treasurer or CMFA Board;
- Time deposits (Non-negotiable certificates of deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts that are fully collateralized with securities in accordance with state law;
- Negotiable certificates of deposit (NCDs);
- Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized statistical rating organization;
- Investment-grade obligations of state, provincial and local governments and public authorities;
- Fully collateralized Repurchase agreements collateralized in compliance with this Policy, governed by a SIFMA Master Repurchase Agreement and with a maximum maturity. Capital project funds may be invested in a single flex repurchase agreement with a maximum stated maturity that shall be matched to the expenditure plan;
- SEC registered money market mutual funds; and
- Local government investment pools.

IMPORTANT NOTE: If the credit rating of a security is subsequently downgraded below the minimum rating level for a new investment of that security, the Treasurer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Treasurer will apply the general objectives of safety, liquidity, yield and legality to make the decision.

2. Collateralization

Where required by state law and in accordance with full collateralization will be required on all demand deposit accounts, including checking accounts and

negotiable (as authorized by respective state statutes) and non-negotiable certificates of deposit.

Authorized Collateral

Acceptable collateral for bank deposits and repurchase agreements shall include only:

- obligations of the U.S. Government, its agencies and GSEs, including mortgage backed securities
- obligations of any state, city, county or authority rated at least AA by two nationally recognized statistical rating organizations.

Prohibited Investments

Section 53601.6 of the Government Code lists the investments that are prohibited. Prohibited investments shall include, but are not limited to: equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

Performance Standards/Evaluation

The investment performance of the CMFA's operating portfolio shall be evaluated and compared to an appropriate benchmark in order to assess the success of this investment program relative to the CMFA's Safety, Liquidity and Yield objectives. This review will be conducted annually with the Board's Finance Committee.

Investment Reporting

If funds are invested in any instrument aside from insured/guaranteed checking accounts, the investment officer shall prepare an investment report at least annually, including a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary will be prepared in a manner that will allow the CMFA to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the CMFA's Finance Committee. The report will include, at a minimum, the following:

- a. An asset listing showing par value, cost and accurate and complete market value of each security, type of investment, issuer, and interest rate
- b. Average maturity of the portfolio and modified duration of the portfolio
- c. Maturity distribution of the portfolio

- d. Average portfolio credit quality
- e. Time-weighted total rate of return for the portfolio for the prior one-month, three months, twelve months, year to date, and since inception compared to the Benchmark Index returns for the same periods
- f. Average weighted yield to maturity of portfolio on investments as compared to applicable Benchmarks
- g. Distribution by type of investment

Policy Adoption and Review

The investment policy and any modifications to that policy shall be formally approved and adopted by the Board of the CMFA.

EXHIBIT A

Authorized Financial Institutions, Depositories, and Broker/Dealers

1. Wells Fargo Bank, N.A.

Records Management Policy

ID: Records-100 Records Management		Policy and Procedure	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Purpose

This document describes the policy and procedure regarding the handling of records and files during the time period they are generally available and easily accessible.

Discussion

Records Management is the systematic control, creation, maintenance, use, and disposition of records and files in order to achieve adequate and proper documentation of the policies, procedures, and transactions of the company.

A Records life cycle usually consists of four stages:

- Creation and receipt
- Maintenance and use
- Short Term Disposition
- Archive

The "Records Schedule" is the main tool used to manage the disposition and archive of records and files. A records schedule is a document that provides mandatory instructions for what to do with records when they are no longer needed for current business. In addition, it authorizes the final disposition of recurring or nonrecurring records. The Records Retention Procedures document contains the Records Schedule.

Definitions

Active records	Current records needed to carryout day-to-day business. Access every month.
Cutoff	A point when active files become inactive files.
Disposition	The actions taken after the cutoff.
File Plan	The systematic framework for identifying, classifying, and filing of records.
Historical Records	Records that preserve a past event.

Inactive Records	Records no longer needed for day-to-operations.
Records Owner	The creator of the records; responsible for proper filing and disposal.
Record or File Series	A group of records that is intended to be maintained as a unit because they relate to each other.
Retention Period	The length of time from cutoff to disposal.
Vital Records	Records needed for operating in an emergency or exercising legal rights.

Responsibilities

Every entity is legally required to manage its records. Records are the evidence of the CMFA's transactions and actions. Individuals are responsible for making and keeping records of their work. They have three basic obligations regarding records:

Creation

You are expected to create the necessary records to do business including recording transactions, decisions, actions taken, and document activities for areas which you are responsible.

Maintenance

Maintain and take care of the records so that information can be found when needed. This means setting up good directories and files, and filing materials (in whatever format) regularly and carefully in a manner that allows them to be safely stored and efficiently retrieved when necessary.

Disposition and Archive

Carry out the disposition of records under your control in accordance with the Records Schedule, and government regulations.

All individuals shall notify the CMFA Board of Directors or Treasurer or their supervisor of any actual, impending, threatened, or unlawful removal, defacing, alteration, or destruction of records.

Records Keeping and Filing Procedures

ID: Records-200 Records Keeping & Filing Procedures		Records Management	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 3

Overview

The Company has established procedures for the storage and filing of records. In addition to the filing procedures outlined below you should also review the Records Schedule.

Filing

All filing done at the CMFA is based on a system. Each set of files has keepers and users. Keepers are responsible for the proper maintenance of the files. Users require information contained in the files. Users borrow files from keepers. File keepers establish the rules file users must follow. Keepers may require a sign-out sheet. File keepers may permit direct access or require indirect access. Records Owners should conduct a periodic inventory of records to ensure accuracy of records information and the proper disposition of records. Regardless of whether the files are direct or indirect access, only file keepers will re-file borrowed files.

Records Keeping and filing procedures:

Identify what information is record material.

Develop and maintain a records index.

Review and update the records index as necessary.

Determine whether records can be cutoff and either stored or destroyed.

Destroy records when the retention period is reached.

Pack records to be stored in designated storage boxes.

Complete transmittal form and transfer records to Records Archive Area.

Update the records database, if applicable.

Maintain and protect vital records as indicated.

Centralized versus Decentralized Files

Centralized Files

In centralized files, the files of a unit are maintained in one location. Consider locating files in a centralized file when:

- More than one work unit has need for the same files.
- Units are sufficiently near the central file for prompt service.

Decentralized Files

Consider locating files in a decentralized file when:

- Files are of interest to only one work unit.
- Centralized filing is too distant for efficient service.
- Information must be immediately available to the creator.
- Constant reference is made to the files by a particular organizational unit.

Filing Systems

Customize this section to the filing systems used at your business.

Alphabetic Filing

The CMFA will utilize the alphabetic filing system. Alphabetic filing is sometimes referred to as the “Dictionary” method of filing when files are organized strictly in alphabetical order. Sometimes Alphabetic filing will be referred to as “encyclopedic” when classifications are organized by major sub-heading or geographic distinctions are organized alphabetically.

Alphabetic files include:

- Accounts Receivable Customer files
- Accounts Payable Vendor Files
- Borrower Transaction Files
- Borrower Compliance Files

Maintaining Files

Neatness and orderliness are essential to filing efficiency. The following instructions will assist in maintaining this efficiency.

Identify File Drawers

Label file drawers to indicate what files, subjects, or names are filed in them. Indicate the year, if appropriate. The disposition schedule number may also be placed on the drawer label.

Prevent Overcrowding the Files

Allow at least four inches of space in each active file drawer to permit sufficient working space.

Keep Papers Straight

When placing material in file folders, do not let the papers extend beyond the edges of the folders. Crease or fold papers when necessary.

Avoid Overloading File Folders

If the contents of the folder increase to the point that papers begin to obscure folder labels, then crease the bottom of the folder leaves at the second expansion line to increase the capacity of the folder. When the folder content reaches 3/4 inches, either:

- (1) Add a new folder bearing the same file designation in front of the full folder and show inclusive dates on the folders; or
- (2) Subdivide the contents of the folder, if practical, by adding new file designations.

Avoid Cluttering the Files

Bulky material should be filed in equipment suitable to its size and not mixed with standard size documents. This material can be cross-referenced so that it can be readily identified with the related papers in the regular files.

Records Schedule

ID: Records-200 Records Schedule		Records Management	
Effective Date: 07/15/13	Last Revision: 08/30/19	Version: 10.0	Total Pages: 2

Overview

The purpose of this policy is to establish standards for the retention of business and financial records by CMFA.

It is the policy of CMFA to maintain retention practices that are in accordance with generally accepted accounting principles and meet or exceed all statutory or regulatory requirements.

The Consultants, with oversight from the Treasurer / Secretary, are responsible for:

Maintaining this schedule

Monitoring statutory requirements

Ensure the Company records are in accordance with this schedule.

The table below represents minimum retention standards for the records and documents listed. Any deviations below the minimum standards on this schedule must be approved by the Controller / CFO.

	Retention	Series	Medium	Location
Accounts payable ledgers and schedules	7			
Accounts receivable ledgers and schedules	7			
Audit reports of accountants	P			
Bank Reconciliations	3			
Bank Statements	P			
Borrower Applications	Maturity+10			
Bond Documents	Maturity+10			
Cash Books	P			
Chart of Accounts	P			
Checks – Cancelled	P			
Corporate Minute Books of Directors & Stockholder Meetings	P			
Corporate Paper and Bylaws	P			
Correspondence (legal and important matters only)	P			
Correspondence (general)	3			
Correspondence (routine) with customers or vendors	1			
Deeds, mortgages and bills of sale	P			
Depreciation Schedules	P			
Duplicate Deposit Slips	1			
Financial Statements (end-of-year, other months optional)	P			

	Retention	Series	Medium	Location
Fixed Asset ledgers	7			
Insurance Policies (expired)	7			
Internal Audit reports	7			
Internal Control Evaluations	7			
Invoices from vendors	7			
Journal Entries	P			
Tax Returns and worksheets	P			

Note: "P" represents permanent record.

Risk Management Policy

ID: Risk-100 Risk Management Policy		Risk Management	
Effective Date: 07/15/13	Last Revision: 07/15/13	Version: 10.0	Total Pages: 2

Overview

Risk management is defined as the identification, assessment, and mitigation of risks that may interfere with the CMFA achieving its objectives.

Risks may be entity oriented and threaten CMFA assets like; people, property, internal change, downsizing, rapid growth and expansion and CMFA finances.

They may be market-oriented like; the market economy, competition and reputation. They may be environmentally-oriented like; the overall economy, politics, legislation, elections, zoning, and natural catastrophes.

The greatest risk however, is when the CMFA fails to maintain the highest possible concern for its stakeholders and particularly the public.

Policy

The CMFA shall continually seek to identify, assess, and mitigate the risks facing its business. Risk management shall be an integral part of the strategic planning process.

The objective of the Risk Management Policy and process is to:

- Provide a framework to manage risk.
- Promote risk awareness within the organization.
- Protect CMFA assets.
- Identify unmitigated risk and implement action plans for mitigation.

Responsibilities

The Treasurer and Assistant Treasurer are responsible for implementation of the risk management process. All CMFA Board Members, Financial Advisors and the Executive Director are responsible for participating in the risk management process and managing risks in their areas of the business.

Risk Appetite

Risk appetite is the amount of risk that the CMFA is willing to take in pursuit of its objectives.

Integrity and Ethical Values

An entities' culture is directly related to its risk appetite. It is the CMFA Boards' responsibility to ensure the CMFAs' culture is closely aligned with the risk appetite and strategic/business plans.

Discussion

Risk Identification

The CMFA classifies risks as compliance, operational, reporting, financial, or strategic.

Risk management shall occur as a result of consideration of findings from audits, evaluations, and other assessments.

Risks that are identified at the Financial Advisor or Executive Director level shall be brought to the attention of the Treasurer or Assistant Treasurer.

Risk Mitigation

In order to influence the likelihood of occurrence and/or impact to stakeholders, risks can be avoided, reduced, shared, or accepted.

Can you:

- Buy insurance
- Lower prices
- Work with your insurer on loss control and prevention
- Improve internal controls
- Re-think your exclusions
- Not work for certain customers (loss avoidance)
- Become more involved in the community

Approvals Summary

	TR	AT	FAF	FAO	FIN	ED
Monthly Report Binder (All) - Statement of Rev/Exp - Statement of Fin Pos - A/R & A/P Aging - P&L By Job Report	X	X				X
A/R Aging (All)	X	X	X			X
Bank Reconciliations (All)	X	X	X	X		X
Bad Debt Write Off (Any One)	X	X	X			X
New GL Accounts (Any One)	X	X	X			X
New Vendor Setup (Any One)	X	X	X	X		
Check Stock Control (Any One)	X		X	X		
Positive Pay Approval (Or Designee) (Any One)	X	X				X
Bank Signatory (Any One)	X	X	X	X		
Wire Transfers & Templates (Any One)	X	X				X
Disbursement Approvals (See P. 30)						
GAGAS Financials (All)	X	X	X	X	X	X
Fidelity Bond (Best Efforts)	X		X	X		

TR: Treasurer
 AT: Assistant Treasurer
 FAF: Financial Advisor - Finance
 FAO: Financial Advisor - Operations
 FIN: Finance Committee
 CH: Chairman of the Board
 ED: Executive Director



INFORMATIONAL ITEMS FOR THE CMFA SUMMARY AND RECOMMENDATIONS

- Item: Administrative Issues; A., B., C., D., E., F., G., H., I.
- Action: Each meeting, the board has the opportunity to discuss, without taking any formal actions on items;
- A. Executive Director Report
 - B. Marketing Update
 - C. Membership Update
 - D. Transaction Update
 - E. Legislative Update
 - F. Internal Policies and Procedures
 - G. Legal Update
 - H. Audits Update
 - I. PACE Update



PROCEDURAL ITEMS FOR THE CFSC SUMMARY AND RECOMMENDATIONS

Items: A1, A2, A3

Action: Pursuant to the by-laws and procedures of CFSC, each meeting starts with the call to order and roll call (A1) and proceeds to a review and approval of the minutes from the prior meeting (A2). After the minutes have been reviewed and approved, time is set aside to allow for comments from the public (A3).

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Desert AIDS Project	08/30/2019	4
DesertArc	08/30/2019	5
Laura's House	08/30/2019	7
Operation Safe House, Inc.	08/30/2019	9
School on Wheels, Inc.	08/30/2019	11
Bay Area Community Resources	08/09/2019	1
East Bay Agency for Children	08/09/2019	6
Marine Raider Foundation (perviously MARSOC Foundation)	08/09/2019	8
Project Angel Food	08/09/2019	10
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Women's Empowerment	07/19/2019	15

Bay Area Community Resources

171 Carlos Drive

San Rafael , CA 949032005 County Marin

www.bacr.org

FEIN 94-2346815 Founded: 1980

Previous Donation: ☐ Yes ☒ No

List Date 8/9/2019

Mission:

BACR's Mission Is To Promote The Healthy Development Of Individuals And Families, Encourage Service And Volunteerism, And Help Build Community.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned	\$33,968,436	90.0%	
Contributions	3,739,284	9.9%	
Other	<u>35,466</u>	<u>0.1%</u>	
Total Revenue:	<u>\$37,743,186</u>	<u>100.0%</u>	
Expenses:			
Program	\$32,465,743	86.5%	
Administration	4,882,437	13.0%	
Fund Raising	<u>164,946</u>	<u>0.4%</u>	
Total Expenses:	<u>\$37,513,126</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$230,060</u>		
Net Assets:	<u>\$3,343,630</u>		

BOD: Lissa Franklin; Rob NessBud Travers; Robert Davisson; Monica Baughan; Bryan Breckenridge; Sinclair Wu; Nancy McEvers Anderson; Moses Omolade

California Association of Food Banks

1624 Franklin Street, Suite 722

Oakland , CA 94612

County

Alameda

www.cafoodbanks.org

FEIN

68-0392816

Founded: 1985

Previous Donation: ☒ Yes ☐ No 20,000 6/7/2019 List Date 7/19/2019

Mission:

California Association of Food Banks (CAFB) is a membership organization of 41 food banks from throughout the state with a shared mission to build a well-nourished California and a firm commitment to providing cutting-edge leadership in the anti-hunger community.

Our major programs include Farm to Family, which works with growers and packers to provide fresh produce to food banks; statewide programs for food stamp outreach and enrollment; robust state and federal advocacy efforts; produce education; and member services that offer assistance with special projects as well as technical support.

Impact:

A donation would assist the organization in their mission of ending hunger in California

Financial Information:

IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned	\$23,967,874	94.4%	Please see the attached listing of individual food banks that are a member of this coalition. If you wish to donate to one of them specifically, Please indicate in your resolution.
Contributions	1,428,189	5.6%	
Other	<u>2,387</u>	<u>0.0%</u>	
Total Revenue:	<u>\$25,398,450</u>	<u>100.0%</u>	
Expenses:			
Program	\$23,667,655	95.7%	
Administration	937,930	3.8%	
Fund Raising	<u>116,750</u>	<u>0.5%</u>	
Total Expenses:	<u>\$24,722,335</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$676,115</u>		
Net Assets:	<u>\$4,055,169</u>		

BOD: Andy Souza; Nicole Suydam; Lisa Houston; James Floros; Kathy Jackson; David Goodman; Anne Holcomb; Michael Flood; Larry Sly; Dave Martinez; Tom Tenorio; Shirley King; Mark Lowry; Kevin Sanchez; Al Brislain; Sara Griffen; Patricia L. Nickols-Butler;

Coachella Valley Rescue Mission

PO Box 10660

Indio , CA 92202

County

Riverside

www.cvrvm.org

FEIN

95-2684844

Founded: 1972

Previous Donation: ☐ Yes ☒ No

List Date 7/19/2019

Mission:

Meeting basic needs for those in need. We provide 30,000+ meals each month. We shelter 300+ men, women and children in our Coachella Valley shelter each night. Since 2017, we've seen a 47% increase of individuals and families experiencing a housing crisis and in need of emergency services. Many women are escaping violence and abuse at home with young children; here, they find a safe refuge with plenty of room for their children too.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information:

IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned	\$1,452,922	19.9%	
Contributions	5,589,004	76.6%	
Other	<u>254,022</u>	<u>3.5%</u>	
Total Revenue:	<u>\$7,295,948</u>	<u>100.0%</u>	
Expenses:			
Program	\$6,015,788	82.7%	
Administration	690,153	9.5%	
Fund Raising	<u>564,051</u>	<u>7.8%</u>	
Total Expenses:	<u>\$7,269,992</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$25,956</u>		
Net Assets:	<u>\$12,660,844</u>		

BOD: Joseph Hayes; Jim Parrish; Richard Twiss; Jeffishbein; Ernesto Rosales; Diane Busch; Matthew List; Connie Dorst; Jim Snellenberger; Larry Rogers

Desert AIDS Project
1695 N. Sunrise Way
Palm Springs , CA 92262 County Riverside
www.desertaidproject.org

FEIN 33-0068583 Founded: 1984

Previous Donation: ☒ Yes ☐ No 10,000 8/7/2015 List Date 8/30/2019

Mission:

Desert AIDS Project is a comprehensive HIV/AIDS service provider, operating an on-site medical clinic, dental clinic, behavioral clinic and a full range of client support services. DAP provides comprehensive HIV education and prevention service including free and confidential HIV testing.

Impact:

A donation will contribute to continuing operation of the organization.

Financial Information: IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned	\$26,553,466	69.4%	
Contributions	10,656,939	27.8%	
Other	<u>1,055,172</u>	<u>2.8%</u>	
Total Revenue:	<u>\$38,265,577</u>	<u>100.0%</u>	
Expenses:			
Program	\$26,064,290	81.3%	
Administration	4,581,269	14.3%	
Fund Raising	<u>1,398,132</u>	<u>4.4%</u>	
Total Expenses:	<u>\$32,043,691</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$6,221,886</u>		
Net Assets:	<u>\$25,379,220</u>		

BOD: Steve Kaufer; Patrick Jordan; Fred Drewette; Mark Hamilton; Kevin Bass; Jerry Fogelson; Terril Ketover; Lauri Kibby; Athalie LaPamuk; Bertil Lindblad; Kyle Mudd; David Perez; Stephen Rose; Ann Sheffer

DesertArc
73-255 Country Club Drive
Palm Desert , CA 92260 County Riverside
www.desertarc.org

FEIN 95-6006700 Founded: 1959

Previous Donation: ☒ Yes ☐ No 10,000 2/5/2016 List Date 8/30/2019

Mission:

In 1969, property was purchased in Palm Desert, California, and a vocational training workshop program for disabled adults was established. In 1983, program operations were moved when the first phase of the Palm Desert facility was built on donated property to provide expanded programs where more than 50 mentally and physically disabled adults were served by the Agency. In July 1999, Desert Arc constructed its 26,000-square-foot building at the Palm Desert Campus where vocational training and employment is provided to clients through the operation of on-site businesses. In 2000, two new workshop facilities for 60 clients were established, to include a site in Yucca Valley and Joshua Tree. Today, Desert Arc serves over 600 clients expanding from the Coachella Valley and the Morongo Basin, as far west as Temecula and as far east as Blythe.

Impact:

A donation would assist in continuing their mission.

Financial Information: IRS Form 990 for FY 2018

Revenues:	Amount	%	Notes
Government/Earned	\$14,040,390	95.4%	
Contributions	648,314	4.4%	
Other	<u>36,209</u>	<u>0.2%</u>	
Total Revenue:	<u>\$14,724,913</u>	<u>100.0%</u>	
Expenses:			
Program	\$12,172,683	86.7%	
Administration	1,802,414	12.8%	
Fund Raising	<u>62,664</u>	<u>0.4%</u>	
Total Expenses:	<u>\$14,037,761</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$687,152</u>		
Net Assets:	<u>\$6,714,966</u>		

BOD: Brooke Beare Stjerne; Lori Serfling; Vern Kozlen; Mary Hendler; Damian Jenkins; Nate Otto; Lisa Howell; Glenn Miller; Robert Anzalone; Howard Levy; Nancy Singer; Iris Smotrich

East Bay Agency for Children

303 Van Buren Ave.

Oakland , CA 94610

County

Alameda

www.ebac.org

FEIN

94-1358309

Founded: 1953

Previous Donation: ☐ Yes ☒ No

List Date 8/9/2019

Mission:

Children have seemingly magical ability to overcome exposure to adversity if they and their families are given guidance and tools to build resilience and aid in recovery. At East Bay Agency for Children, we work every day so children impacted by trauma can ultimately reach their full potential. Despite the overall wealth of the Bay Area, 1 in 5 of its residents lives in poverty. Children have vastly different prospects and opportunity dependent upon the zip code in which they live. An African American child born in West Oakland can expect to die almost fifteen years earlier than a white child born in the Oakland Hills. These social determinants of health combined with adverse childhood experiences such as abuse, neglect, household dysfunction create toxic stress and chronic exposure to trauma for many children. To address these needs, East Bay Agency for Children delivers a comprehensive continuum of services based on the strategies of building resilience, aiding in recovery and prevention.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned	\$11,434,570	90.2%	
Contributions	1,238,535	9.8%	
Other	<u>9,066</u>	<u>0.1%</u>	
Total Revenue:	<u>\$12,682,171</u>	<u>100.0%</u>	
Expenses:			
Program	\$10,182,660	83.8%	
Administration	1,789,524	14.7%	
Fund Raising	<u>174,049</u>	<u>1.4%</u>	
Total Expenses:	<u>\$12,146,233</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$535,938</u>		
Net Assets:	<u>\$3,836,329</u>		

BOD: Mimi Park; Leah Hughes; Mary Colby; Tim Sommer; Tess Singha; Gary Cox; Joanne Karchmer; Rhonda Morris; Matthew Nelson; Nate Oubre; Patrick Piette; Jackie Lynn Ray; Madelyn Roderigues; Daniel Shulman

Laura's House
999 Corporate Drive #225
Ladera Ranch , CA 92694 County Orange
www.laurashouse.org

FEIN 33-0621826 Founded: 1995

Previous Donation: ☒ Yes ☐ No 25,000 6/8/2018 List Date 8/30/2019

Mission:

When you support Laura's House you not only provide victims of domestic violence and their children with emergency shelter, you provide these families with the tools to build a new life. A life that is healthy, successful and free of violence. Laura's House is essential to improving the quality of life in Orange County, providing the services necessary to rebuild lives destroyed by violence. Laura's House provides direct services to more than 2,500 victims and their families each year through a 24-hour crisis hot line, emergency shelter, food and clothing, counseling, case management and legal services. Today, more than ever nonprofit organizations are facing severe financial challenges. As the economy has slowed and funding for services has been cut back, Laura's House depends on community support to help us meet the current needs of our clients, maintain our current level of quality services and grow our organization to meet our future needs.

Impact:

A donation would assist the program in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned	\$930,102	23.9%	The organization has a thrift store which accounts for the majority of the other revenues.
Contributions	1,860,810	47.8%	
Other	<u>1,101,499</u>	<u>28.3%</u>	
Total Revenue:	<u>\$3,892,411</u>	<u>100.0%</u>	
Expenses:			
Program	\$3,396,109	79.9%	
Administration	518,559	12.2%	
Fund Raising	<u>334,121</u>	<u>7.9%</u>	
Total Expenses:	<u>\$4,248,789</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$356,378)</u>		
Net Assets:	<u>\$6,576,776</u>		

BOD: Laura Khouri; Wayne R. Pinnell; Don Barnes; Dan Weeks; Shannon Champion; Pat McAuley; Jorge Cisneros; Dr. Jill Murray; Payyt Cyr; Cheryl Osborn; Laverne Friedmann; Doug Pak; Kerri Strunk; Make James; Mark Jones; Richard V. Umphrey III; Kellie

Marine Raider Foundation (perviously MARSOC Foundation)

PO Box 2018

Temecula , CA 925932018 County Riverside

www.marineraiderfoundation.org

FEIN 45-2913544 Founded: 2011

Previous Donation: ☒ Yes ☐ No 25,000 4/11/2014 List Date 8/9/2019

Mission:

As a 501(c)(3) non-profit, the MARSOC Foundation provides benevolent support to the U. S. Marine Corps Forces Special Operations Command (MARSOC). The Foundation supports active duty and medically retired MARSOC personnel and their families, as well as the families of Marines who have lost their lives in service to our Nation. MARSOC Foundation services are those unmet by the government or other organizations

Assist MARSOC personnel who are injured or wounded in combat, contingency operations, or training with special needs receive:

Advanced rehabilitation programs and equipment

Operational health & performance programs and equipment

Advanced vocational training

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	1,601,190	98.3%	
Other	<u>27,393</u>	<u>1.7%</u>	
Total Revenue:	<u>\$1,628,583</u>	<u>100.0%</u>	
Expenses:			
Program	\$1,281,540	82.8%	
Administration	48,442	3.1%	
Fund Raising	<u>217,946</u>	<u>14.1%</u>	
Total Expenses:	<u>\$1,547,928</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$80,655</u>		
Net Assets:	<u>\$1,330,321</u>		

BOD: Derek Herrera; Peter Vermette; Michael Dastugue; Ambrose Fisher; Chuck Meacham; Jesse Pletts; Lorelei Gaus; Kathryn Tappen

Operation Safe House, Inc.

9685 Hayes Street

Riverside , CA 92503

County

Riverside

operationsafehouse.org

FEIN

33-0326090

Founded: 1989

Previous Donation: ☒ Yes ☐ No 10,000 7/19/2013 List Date 8/30/2019

Mission:

Operation SafeHouse is a 24-hour emergency shelter whose mission is to serve runaway, homeless, and at-risk youth ages 11 – 17 in Riverside County. Services include up to three-weeks of emergency shelter, nutritious meals, counseling, attempts at family reunification, on-site education program, aftercare and a 24- hour toll-free crisis line. Operation SafeHouse has been providing the Street Outreach program to entrenched street youth since 1997. Our team is in the community seven days a week at locations where runaway and homeless youth are known to congregate. They are given referrals, hygiene products, gift cards, and transportation to our shelters or transitional living programs if they would like to move from the streets into a safe and stable environment. Youth can also access our program through our 30 Safe Place partner sites, including the RTA and the SunLine bus systems who provide "mobile" Safe Places throughout the county.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned	\$3,096,791	75.1%	
Contributions	962,102	23.3%	
Other	<u>63,203</u>	<u>1.5%</u>	
Total Revenue:	<u>\$4,122,096</u>	<u>100.0%</u>	
Expenses:			
Program	\$3,918,409	85.8%	
Administration	598,909	13.1%	
Fund Raising	<u>48,195</u>	<u>1.1%</u>	
Total Expenses:	<u>\$4,565,513</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$443,417)</u>		
Net Assets:	<u>\$1,877,056</u>		

BOD: Amy Harrison; David Austin; Eric Charrette; Sarah Clapp; Lachelle Crivello; Lee Fiorina; Valerie Hill; Carla Lidner; Misty Reynolds; Tina Robinson; Don Schroeder; ?Catherine Schwartz; Enrique Solis; Coby Webb

Project Angel Food

922 Vine Street

Los Angeles , CA 90038

County Los Angeles

www.angelfood.org

FEIN

95-4115863

Founded: 1989

Previous Donation: ☒ Yes ☐ No 30,000 11/18/2016 List Date 8/9/2019

Mission:

Project Angel Food's mission is to nourish people debilitated by critical illnesses. We believe they should not also suffer the ravages of hunger and malnutrition, which can lead to catastrophic deterioration in their already fragile health.

We operate with the knowledge that food is medicine so we medically tailor our recipes and design our freshly-cooked meals to offer optimum benefits: overall improved health, efficacy of vital medications, prevention of secondary illnesses, optimum body weight and more.

Our client services and nutrition services teams assist clients in accessing other health resources and help them better understand the positive impact of healthy eating in their fight against disease and their overall life. We also provide a friendly ear during one of the most challenging experiences possible.

Impact:

A donation would assist in the furtherance of their mission

Financial Information: IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned	\$635,906	15.5%	
Contributions	3,315,676	80.7%	
Other	<u>156,506</u>	<u>3.8%</u>	
Total Revenue:	<u>\$4,108,088</u>	<u>100.0%</u>	
Expenses:			
Program	\$3,223,369	79.5%	
Administration	370,807	9.1%	
Fund Raising	<u>460,718</u>	<u>11.4%</u>	
Total Expenses:	<u>\$4,054,894</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>\$53,194</u>		
Net Assets:	<u>\$3,546,595</u>		

BOD: Joe Mannis; Robert Bauer; Bobby Ralston; Peter Helenek; David Couper; Andre Dawson; Bert Edwards; Wayne Elias; Adam Ma; Ardis Moe; Faye Moseley; Pauley Perrette; Filippo Puglisi-Alibrandi; Tim Robinson; Richard Ayoub

School on Wheels, Inc.

PO Box 23371

Ventura , CA 93002

County

Ventura

www.schoolonwheels.org

FEIN

95-4422640

Founded: 1993

Previous Donation: ☐ Yes ☒ No

List Date 8/30/2019

Mission:

Since 1993, the mission of School on Wheels has never wavered: to enhance educational opportunities for children who are experiencing homelessness from kindergarten through twelfth grade. Our goal is to shrink the gaps in their education and provide them with the highest level of education possible. Our program serves as a consistent support system for our students at a time of great stress and fear.

We partner with over 400 sites across Southern California—including libraries, shelters, and after-school programs. Volunteer tutors travel to meet students where they are at to provide stability, consistency, and educational support.

Our volunteers are the heart of our program. In 2018 alone, 2,321 volunteers tutored 3,624 students experiencing homelessness.

Impact:

A donation would assist the organization in the furtherance of their mission

Financial Information: IRS Form 990 for FY 2018

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	2,673,242	99.8%	
Other	<u>4,017</u>	<u>0.2%</u>	
Total Revenue:	<u>\$2,677,259</u>	<u>100.0%</u>	
Expenses:			
Program	\$2,467,796	93.7%	
Administration	116,292	4.4%	
Fund Raising	<u>48,665</u>	<u>1.8%</u>	
Total Expenses:	<u>\$2,632,753</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$44,506</u>		
Net Assets:	<u>\$1,446,581</u>		

BOD: Joshua A. Fein; Steven F. Dahlberg; Clifford Neiman; Lynn M. Garnder; Chris C. Goodman; Beeong-Soo Kim; Laurie Levit; Cecil L. Murray; Ellen Padnos; Angela M. Sanchez; Susan Taylor; Janet A. Wertman; Melissa Zukerman; Catherine Meek

SOS-Soldiers Organized Services

PO Box 7007

La Quinta , CA 92248

County

Riverside

www.sosride.org

FEIN

74-3216955

Founded: 2007

Previous Donation: ☐ Yes ☒ No

List Date 7/19/2019

Mission:

SOS -- Soldier's Organized Services links volunteer drivers with active-duty military personnel, their families and sweethearts to provide no-cost transportation between the Marine Corps Air Ground Combat Center in Twentynine Palms, California and Palm Springs or Ontario transportation hubs. We strive to relieve service-members of the cost (\$175-\$200 taxi fare each way) not reimbursable when traveling on pre-deployment, holiday or personal leave and the inherent stress of needing those funds to visit loved ones. We always offer safe, clean and reliable transportation, friendly conversation, and a firm handshake or warm hug as a thank you for their service to our nation.

S.O.S. has never, and will never accept contributions from the troops or their families.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information:

IRS Form 990 for FY 2-17

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	309,778	100.0%	
Other			
Total Revenue:	<u>\$309,778</u>	<u>100.0%</u>	
Expenses:			
Program	\$297,087	100.0%	
Administration			
Fund Raising			
Total Expenses:	<u>\$297,087</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$12,691</u>		
Net Assets:	<u>\$53,008</u>		

BOD: Jim Slominski; Jan Welch; Diane Stone; Stephanie Miller; Dawn Lovejoy; Erica Stone

Table of Plenty

PO Box 22

Beaumont , CA 92223

County

Riverside

www.tableofplenty.org

FEIN

45-2936011

Founded: 2011

Previous Donation: ☐ Yes ☒ No

List Date 7/19/2019

Mission:

We believe that hunger shouldn't be a way of life. At Table of Plenty, we rely on the helping hands of our volunteers to give back to those that are struggling with hunger in and around our community.

Table of Plenty serves hot meals Tuesdays and Fridays from 11:30 a.m. to 1 p.m. at the Beaumont Women's Club and on Wednesdays from 11:30 a.m. to 1 p.m. at the Beaumont Presbyterian Church.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information:

IRS Form 990 for FY 2017

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	304,244	100.0%	
Other			
Total Revenue:	<u>\$304,244</u>	<u>100.0%</u>	
Expenses:			
Program	\$282,595	94.8%	
Administration	15,589	5.2%	
Fund Raising			
Total Expenses:	<u>\$298,184</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$6,060</u>		
Net Assets:	<u>\$9,960</u>		

BOD: Darryl Smith; Rebecca Johnson; Ludwig Cibelli; Jason Smith; Art Welch; Onoalyse Lyons

Upwardly Global
582 Market St., Ste 1207
San Francisco , CA 94104 County San Francisco
www.upwardlyglobal.org

FEIN 94-3346127 Founded: 2000

Previous Donation: ☐ Yes ☒ No

List Date 8/9/2019

Mission:

Upwardly Global's mission is to eliminate employment barriers for skilled immigrants and refugees, and integrate this population into the professional U.S. workforce.

There are about 2 million immigrants and refugees currently in the U.S. who have college degrees from their home countries but are unemployed or working far below their skill level. Upwardly Global is the first and longest-serving organization that helps these men and women integrate into the professional American workforce.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned	\$544,753	10.6%	
Contributions	4,559,250	89.1%	
Other	<u>11,277</u>	<u>0.2%</u>	
Total Revenue:	<u>\$5,115,280</u>	<u>100.0%</u>	
Expenses:			
Program	\$3,900,035	67.3%	
Administration	602,443	10.4%	
Fund Raising	<u>1,295,292</u>	<u>22.3%</u>	
Total Expenses:	<u>\$5,797,770</u>	<u>100.0%</u>	
Excess/(Deficit) of Revenues Over Expenses:	<u>(\$682,490)</u>		
Net Assets:	<u>\$2,458,691</u>		

BOD: Alex Lipman; Amy Henry; Ana Kreacic; Bassem Moussa; Ganesh Betanabhatle; Jane Leu; Justin Thornton; Kathy Taylor; Martha Gallo; Nikki Cicerani; Philipp Schumacher; Pranav S. Ramanathan; Rosalyn Chen; Scott Mauvais; Todd A. Harding; Winita Lau

Women's Empowerment
1590 North A Street
Sacramento , CA 95811 County Sacramento
www.womens-empowerment.org/

FEIN 03-0520643 Founded: 2001

Previous Donation: ☐ Yes ☒ No

List Date 7/19/2019

Mission:

A HOLISTIC APPROACH - By the time a homeless woman turns to us for help, she has lost almost everything. Being homeless is traumatizing; being homeless while raising children, escaping domestic violence, looking for work, or struggling with addiction can shatter her spirit.

Through classes, counseling, career mentoring and peer support, she gains the tools to rebuild her life. On-site childcare in our Child Development Center and other supportive services are offered in a safe, nurturing environment where each woman and her family are treated with respect.

Impact:

A donation would assist the organization in the furtherance of their mission.

Financial Information: IRS Form 990 for FY 2016

Revenues:	Amount	%	Notes
Government/Earned			
Contributions	1,095,932	96.3%	
Other	<u>41,972</u>	<u>3.7%</u>	
Total Revenue:	<u>\$1,137,904</u>	<u>100.0%</u>	
Expenses:			
Program	\$707,310	74.2%	
Administration	111,539	11.7%	
Fund Raising	<u>134,860</u>	<u>14.1%</u>	
Total Expenses:	<u>\$953,709</u>	<u>100.0%</u>	
Excess/(Deficit) of			
Revenues Over Expenses:	<u>\$184,195</u>		
Net Assets:	<u>\$883,644</u>		

BOD: Paula Clarkson; Kellie England; Myel Jenkins; Susan Gower; Jonathan Kaufman; Bob Erlenbusch; Jessica Cook; Hedy Govenar; Jessica Leeson; Suzanne Dizon; Marisa Sharkey; Frank Apgar; Nikky Mohanna; Fimy Sahaida; Jonathan Kaufman; + 2

Donations as of 8/9/2019

