

**WIPFLI**

# CMFA Special Finance Agency I

Consolidated Financial Statements and  
Supplementary Information

Year Ended June 30, 2025



## **Independent Auditor's Report**

To the Board of Directors  
CMFA Special Finance Agency I  
Carlsbad, CA

### ***Opinion***

We have audited the consolidated financial statements of CMFA Special Finance Agency I (the "Agency"), which comprise the consolidated statement of net position as of June 30, 2025, and the related consolidated statements of revenues, expenses, and change in net deficit, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CMFA Special Finance Agency I as of June 30, 2025, and the change in net deficit and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of CMFA Special Finance Agency I and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CMFA Special Finance Agency I's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CMFA Special Finance Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CMFA Special Finance Agency's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Report on Consolidating Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of net position, consolidating statement of revenues, expenses, and change in net deficit, and consolidating statement of cash flows, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Wipfli LLP

Radnor, Pennsylvania  
December 18, 2025

**CMFA Special Finance Agency I**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

This section of the CMFA Special Finance Agency I (the Agency) annual financial report presents the Management's Discussion and Analysis (MD&A) of its financial performance during the year ended June 30, 2025. The information in this section should be read in conjunction with the consolidated financial statements and the notes following this section.

**GENERAL BACKGROUND, OVERVIEW AND PROGRAMS**

The Agency was organized on March 1, 2021, under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. On March 30, 2021, the Agency issued bonds to finance the acquisition of a multifamily residential rental community known as The Mix at CTR City (the Project) located at 184 W. Center Street Promenade, Anaheim, California 92805.

**FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2025**

- Restricted cash and investment balances for FY2025 are \$1,203,163 below the prior year due to withdrawals of reserve funds to satisfy debt obligations and capital expenditures.
- FY2025 operating expenses are \$460,552 above the prior year due mainly to depreciation.
- Bonds payable decreased \$105,845 from the prior year to due to amortization of bond premium. No principal payments were made during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Agency's consolidated financial statements include the accounts of the Agency and the Project. The consolidated financial statements include the MD&A, consolidated financial statements, and accompanying notes to the consolidated financial statements. This report also includes other information intended to furnish additional detail to the intended users.

**CMFA Special Finance Agency I**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

**FINANCIAL STATEMENTS**

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

- The **Consolidated Statement of Net Position** includes all the Agency's assets and liabilities as of June 30, 2025 and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Agency's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency.
- The **Consolidated Statement of Revenues, Expenses and Change in Net Deficit** accounts for all the Agency's revenues and expenses for the year ended June 30, 2025. This statement reflects the results of the Agency's operations over the year and can be used to determine the Agency's creditworthiness and its ability to successfully recover all its costs through user fees and other income.
- The **Consolidated Statement of Cash Flows** provides information about the Agency's cash receipts and cash payments during the year ended June 30, 2025. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The statement provides answers to questions about where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

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

**CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION**

The assets, liabilities, and net position as of June 30, 2025, and 2024 and changes from the prior year are shown in the table below.

	2025	2024	Change
<b>Assets:</b>			
Cash	\$ 1,082,186	\$ 702,617	\$ 379,569
Restricted cash and investments	10,103,080	11,306,243	(1,203,163)
Other current assets	2,228,127	1,160,503	1,067,624
Other assets	114,572,506	117,502,559	(2,930,053)
<b>Total assets</b>	<b>127,985,899</b>	<b>130,671,922</b>	<b>(2,686,023)</b>
<b>Liabilities:</b>			
Other liabilities	2,648,366	2,427,801	220,565
Bonds payable	138,582,962	138,688,807	(105,845)
<b>Total liabilities</b>	<b>141,231,328</b>	<b>141,116,608</b>	<b>114,720</b>
Deferred inflow of resources	5,002,888	4,213,957	849,669
<b>Net position (deficit)</b>	<b>(18,248,317)</b>	<b>(14,658,643)</b>	<b>(3,589,674)</b>

**CMFA Special Finance Agency I**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2025

**ASSETS**

**Restricted Cash and Investments**

Restricted cash and investments are set aside for specified purposes, such as refundable deposits to tenants, servicing of the Project's outstanding debt obligations and the construction of capital assets. Such assets have been restricted by either bond indenture, law or through contractual obligations.

The reduction in restricted cash was due to draws on reserve funds to satisfy debt service payments and withdrawals for capital assets expenditures.

**LIABILITIES**

**Bonds Payable**

The long-term debt activity for FY2025 was \$105,845. This comprises amortization of the bond premium. No principal payments were made during the year.

**NET POSITION**

The following table presents a condensed consolidated statement of revenues, expenses and change in net deficit for the years ended June 30, 2025, and 2024.

**Condensed Consolidated Statement of Revenues, Expenses and Change in Net Deficit**

	<b>2025</b>	<b>2024</b>	<b>Change</b>
Operating revenues	\$ 9,038,293	\$ 8,633,680	\$ 404,613
Expenses	<u>12,627,967</u>	<u>12,203,613</u>	<u>424,356</u>
Change in net position	(3,589,674)	(3,569,933)	(19,743)
Net deficit - beginning of year	<u>(14,658,643)</u>	<u>(11,088,710)</u>	<u>(3,569,933)</u>
Net deficit - end of year	<u>(18,248,317)</u>	<u>(14,658,643)</u>	<u>(3,589,676)</u>

**OPERATING REVENUES**

Rental income increased over the previous year by \$316,253 due to higher rental rates. Other income increased \$88,360 over the previous year due to increased commercial income as well as miscellaneous residential income.

<b>Operating Revenues:</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
Rental income	8,628,062	8,311,809	316,253
Other income	<u>410,231</u>	<u>321,871</u>	<u>88,360</u>
Total operating revenues	9,038,293	8,633,680	404,613

**CMFA Special Finance Agency I**  
**Management’s Discussion and Analysis**  
**For the Year Ended June 30, 2025**

**OPERATING EXPENSES**

Operating expenses increased from \$7,110,131 in FY2024 to \$7,570,683 – an increase of \$460,552. This is primarily due to increased insurance, depreciation and project admin expenses, which were partially offset by reduced repairs and maintenance costs.

<b>Operating expenses</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
Administrative expenses	\$ 606,985	\$ 582,736	\$ 24,249
Advertising	50,930	47,821	3,109
Amortization	15,798	4,350	11,448
Depreciation	3,404,048	2,915,278	488,770
Insurance	280,644	196,709	83,935
Legal and professional fees	12,896	37,686	(24,790)
Other	137,416	140,278	(2,862)
Project administration fees	195,007	125,000	70,007
Property management expense	191,343	185,095	6,248
Repairs and maintenance	1,501,672	1,684,277	(182,605)
Salaries and wages	696,984	706,897	(9,913)
Utilities	476,960	484,004	(7,044)
	<u><b>7,570,683</b></u>	<u><b>7,110,131</b></u>	<u><b>460,552</b></u>

# CMFA Special Finance Agency I

## Consolidated Statement of Net Position

<i>As of June 30,</i>	2025
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,082,186
Restricted cash	312,847
Restricted investments	9,790,233
Tenants accounts receivables, net	75,899
Lease receivables, current portion	2,055,171
Prepaid expenses	97,057
Total current assets	13,413,393
Lease receivables, net of current portion	2,878,815
Capital assets, net	111,615,990
Lease commissions, net	77,701
Total assets	\$ 127,985,899
<b>Liabilities, Deferred Inflows of Resources, and Net Deficit</b>	
Current liabilities:	
Accounts payable	\$ 147,569
Accrued expenses	157,252
Accrued interest	2,030,698
Tenant security deposits	312,847
Total current liabilities	2,648,366
Long-term bonds payable	138,582,962
Total liabilities	141,231,328
Deferred inflows of resources	5,002,888
Net deficit:	
Net investment in capital assets	(28,997,670)
Restricted for debt service and other purposes	10,103,080
Unrestricted	646,273
Total net deficit	(18,248,317)
Total liabilities, deferred inflows of resources and net deficit	\$ 127,985,899

See accompanying notes to financial statements.

# CMFA Special Finance Agency I

## Consolidated Statement of Revenues, Expenses, and Change in Net Deficit

Year Ended June 30,	2025
Operating Revenues:	
Rental income	\$ 8,628,062
Other income	410,231
Total operating revenues	9,038,293
Operating expenses:	
Administrative expenses	606,985
Advertising	50,930
Amortization	15,798
Depreciation	3,404,048
Insurance	280,644
Legal and professional fees	12,896
Other	137,416
Project administration fees	195,007
Project management expense	191,343
Repairs and maintenance	1,501,672
Salaries and wages	696,984
Utilities	476,960
Total operating expenses	7,570,683
Operating income	1,467,610
Nonoperating revenues (expenses)	
Interest income	317,829
Interest expense	(5,375,113)
Total nonoperating expenses	(5,057,284)
Change in net deficit	(3,589,674)
Net deficit as of June 30, 2024	(14,658,643)
Net deficit as of June 30, 2025	\$ (18,248,317)

See accompanying notes to financial statements.

# CMFA Special Finance Agency I

## Consolidated Statement of Cash Flows

<i>Year Ended June 30,</i>	2025
Cash flows from operating activities:	
Cash received from customers and users	\$ 9,167,754
Cash paid to suppliers and service providers	(4,446,816)
Net cash flows from operating activities	4,720,938
Cash flows from capital and related financing activities:	
Purchases of capital assets	(686,839)
Payments for leasing commissions	(26,397)
Interest payments on long-term bonds payable	(5,149,125)
Net cash flows from related financing activities	(5,862,361)
Cash flows from investing activities:	
Net change in restricted investments	1,223,043
Interest income	317,829
Net cash flows from investing activities	1,540,872
Net change in cash and cash equivalents	399,449
Cash, cash equivalents, and restricted cash - beginning of year	995,584
Cash, cash equivalents, and restricted cash - end of year	\$ 1,395,033
Net operating income	\$ 1,467,610
Adjustments to reconcile change net operating income to net cash flows from operating activities:	
Depreciation	3,404,048
Amortization	15,798
Changes in operating assets and liabilities:	
Tenant accounts receivable	(61,523)
Prepaid expenses	(14,831)
Lease receivable	(767,827)
Accounts payable	(207,634)
Accrued expenses	76,486
Deferred inflows of resources	788,931
Tenant security deposits	19,880
Total adjustments	3,253,328
Net cash flows from operating activities	\$ 4,720,938

# CMFA Special Finance Agency I

## Consolidated Statement of Cash Flows (Continued)

<i>Year Ended June 30,</i>	2025
Cash, cash equivalents, and restricted cash:	
Cash and cash equivalents	\$ 1,082,186
Restricted cash:	
Tenant security deposits	312,847
<b>Total cash, cash equivalents, and restricted cash</b>	<b>\$ 1,395,033</b>
 Supplemental cash flow information	
Noncash financing activities	
Accrued interest	\$ 331,833
Amortization of bond premium	(105,845)

See accompanying notes to financial statements.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### **Note 1: Organization, Operations, and Reporting Entity**

CMFA Special Finance Agency I (the "Agency") is a joint exercise of powers authority and public entity formed pursuant to a Joint Exercise of Powers Agreement (Agreement) between the California Municipal Finance Authority (the Authority) and the City of Anaheim, California (City) as charter members, to which certain other cities and counties may in the future join as additional members. The Agency is authorized and empowered under the Act and the Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including overseeing The Mix at CTR City (the "Project"), that provides affordable local housing for low-income, median-income and moderate-income families and individuals.

The Agency is governed by the Board of Directors consisting of, ex officio, the board of directors of the Authority. The accompanying consolidated financial statements include the accounts of the Agency and its subsidiaries, after elimination of all material intercompany transactions and accounts.

#### The Mix at the CTR City, Anaheim, California (The Mix)

On March 30, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021A-1 (Social Bonds), Essential Housing Revenue Bonds Series 2021A-2 (Social Bonds), Essential Housing Revenue Bonds Series 2021A-T (Federally Taxable) and Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds). The Series 2021B Bonds was directly issued to, or at the direction of, Manatt Housing Solutions LLC, a California limited liability company (MHS) in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the project, a business plan for the Agency, and certain intellectual property created by MHS for the Agency. The bonds, with an aggregate principal amount of \$135,775,000, were issued pursuant to the Trust Indenture (the "Indenture") by and between the Agency and Wilmington Trust, National Association, (the "Trustee"), to finance the acquisition of a 276-unit multifamily rental housing facility that also contains approximately 23,350 square feet of ground floor retail space and related improvements, personal property and equipment known as The Mix at CTR City (The Mix) located at 184 W. Center Street Promenade, Anaheim, California 92805.

### **Note 2: Summary of Significant Accounting Policies**

The Agency's accounting policies and financial statements conform to U.S. GAAP and are based upon the Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies:

#### **Basis of Accounting**

The Agency's consolidated financial statements have been prepared using the accrual basis of accounting in accordance with GAAP as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### **Note 2: Summary of Significant Accounting Policies** (Continued)

#### **Use of Estimates**

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

#### **Cash and Cash Equivalents**

Cash equivalents are defined as short-term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition.

#### **Restricted Cash and Investments and Investment Income**

Restricted cash and investments represent the unspent proceeds of the bonds that are held by the Trustee. These investments are made up of various funds that were required to be funded by the Indenture. Also included in restricted cash are tenant security deposit funds. See Note 3 for a listing of the funds held by the Trustee.

Restricted investments are made up of money market funds and guaranteed investment contracts. The guaranteed investment contracts are considered trading securities, therefore are measured at fair value.

All investment income is reported as nonoperating revenues (expenses) in the accompanying consolidated statement of revenues, expenses, and changes in net deficit. Realized gains or losses are determined by specific identification.

#### **Tenant Accounts Receivables**

Tenant accounts receivables are uncollateralized residential and commercial rents, which are due at the beginning of each month. Payments of tenant receivables are allocated to the specific charges identified on the tenant's remittance or, if unspecified, are applied to past due balances first, then the current unpaid charges. Management individually reviews all tenant receivables and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that could be uncollectible. Any amounts that remain outstanding after management has used reasonable collection efforts are deemed uncollectible and written-off through a charge to the valuation allowance and elimination of the tenant accounts receivable. An allowance of \$216,036 was recorded as of June 30, 2025.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 2: Summary of Significant Accounting Policies (Continued)

#### Fair Value Measurements

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

#### Tenant Security Deposit Funds

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

#### Capital Assets

Capital assets are defined by the Agency as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual cost is not available, and when placed in service. Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets (3 - 30 years). Depreciation of capital assets is recorded as an expense against operations. Repairs and maintenance costs are charged to expense as incurred.

Management reviews the recoverability of its capital assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 requires the recognition of impairment of capital assets in the event an asset's service utility has declined significantly and unexpectedly. Accordingly, management evaluates its assets' utility annually or when an event occurs that may impair recoverability of the asset.

#### Lease Commissions

Lease commissions have been capitalized and are amortized over the related lease term using the straight-line method. Amortization expense for the year ended June 30, 2025 was \$15,798.

#### Long-Lived Assets

The long-lived assets of the Project are reviewed periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Agency would recognize an impairment loss at that time. No impairment loss was recognized in the fiscal year 2025.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 2: Summary of Significant Accounting Policies (Continued)

#### Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the consolidated statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

#### Original Issue Premium

Original issue premium represents the difference between the face value of the bonds and the consideration received. Original issue premium is deferred and amortized over the life of the bonds using the straight-line method. Amortization of the premium is reflected as a decrease to interest expense in the consolidated statement of revenues, expenses, and change in net deficit.

#### Net Position

Net deficit of the Agency is classified in three components:

- *Net investment in capital assets* consists of capital assets, including bond proceeds held for capital assets, net of accumulated depreciation and reduced by any outstanding borrowings used to finance the purchase or construction of those assets.
- *Restricted for debt service and other purposes* is net deficit that is restricted for the future payment of debt and is required to be held under an agreement with the Trustee, as well as other funds included in restricted investments.
- *Unrestricted* is the remaining net deficit that does not meet the definition of net investment in capital assets or restricted for debt service and other purposes.

#### Income Taxes

The Agency is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### **Note 2: Summary of Significant Accounting Policies** (Continued)

#### **Advertising Expenses**

Advertising costs are expensed as incurred. Advertising costs expensed during the year ended June 30, 2025 were \$50,930.

#### **Revenue Recognition**

Housing units are rented under operating lease agreements with terms that vary, but a majority of lease terms are one year or less. Rent income from tenants is recognized in the month in which it is earned rather than received. Retail units are rented under operating lease agreements with terms that vary from five to ten years. Retail rental income from retail tenants is recognized on a straight line basis over the life of the lease. Other income consists of income from pet rent, parking, laundry, and utility reimbursements from tenants.

#### **Lease Accounting**

The Project is a lessor in multiple housing units lease agreements. The Project accounts for its leases in accordance with the Governmental Accounting Standards Board ("GASB"), Statement No. 87, *Leases*. If the contract provides the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Lease receivables and deferred inflows of resources are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The deferred inflows of resources are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. See Note 9 for leases.

The Project uses its incremental borrowing rate as the discount rate.

The Project has elected to not recognize lease receivables and deferred inflows of resources for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to renew the lease agreement. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases. The Project recognizes short-term lease income on a straight-line basis over the lease term.

#### **Subsequent Events**

The Agency has evaluated subsequent events through December 18, 2025, which is the date the financial statements were available to be issued.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 3: Deposits and Investments

The Agency's restricted cash and investments are subject to several types of risk:

**Interest Rate Risk** – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Agency does have a formal investment policy for interest rate risk.

**Credit Risk** - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the Agency's investments were not rated.

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

Although not part of the Indenture, included in restricted cash and cash equivalents are tenant security deposits of \$312,847 as of June 30, 2025. As such, this amount is not included in the table below summarizing restricted cash and investments by fund.

Pursuant to the Indenture, the Agency was required to establish certain restricted reserves with bond proceeds that were funded at closing for the bond issuance. All reserve accounts are restricted for specific use and withdrawals from the restricted accounts are subject to approval by the Trustee.

The following table provides a summary of restricted investments by fund as required by the Indenture:

<i>Fund / Account Name</i>	As of June 30, 2025
Revenue fund	\$ 325,408
Extraordinary Expense fund	500,000
Capital Expense fund	314,358
Coverage Reserve fund	1,034,586
Operating Reserve fund	239,714
Senior Debt Service Reserve fund	5,169,750
Senior Debt Service account	1,205,963
Senior Capitalized Interest Fund	828,137
Administrative Expense fund	172,317
Total investments	\$ 9,790,233

#### *Revenue Fund*

Pursuant to the Project Administration Agreement (Note 7), at the end of each month, the operator is required to transfer all monies into the revenue fund held by the Trustee as soon as practicable as long as any Bonds remain outstanding.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### **Note 3: Deposits and Investments** (Continued)

#### *Extraordinary Expense Fund*

The extraordinary expense fund is used to pay for extraordinary expenses, as approved by the Agency and processed by the Trustee. The Trustee will disburse moneys from the extraordinary expense fund to the Agency for certain expenses meeting the extraordinary definition in the Indenture. After discharge of the Indenture, the Agency shall retain any monies in the extraordinary expense fund, unless a different arrangement is agreed to at the Agency's discretion. As of June 30, 2025, the deposits on hand in the extraordinary expense fund met the extraordinary expense deposit requirement of \$500,000.

#### *Capital Expense Fund*

The capital expense fund is used to cure any deficiency in the senior debt service account. The monies in this account shall be used for the purposes of paying for capital expenses included in the capital budget or otherwise expressly authorized by the Project Administration Agreement and capital expenses not included in the capital budget with the prior written consent of the Agency.

#### *Coverage Reserve Fund*

The coverage reserve fund was set up to cure any deficiency in the senior debt service account. Pursuant to the Indenture, if at any time the Trustee receives a Certificate of the Project Administrator evidencing that the Project has produced total net revenues for the immediately preceding 12 months sufficient to produce a debt service coverage ratio of at least 1.20:1.00, and provided that no event of default under the Trust Indenture shall have occurred and is continuing, the balance of the coverage reserve fund shall be transferred to the revenue fund. As of June 30, 2025 these terms had not yet been met to trigger the transfer of funds.

#### *Operating Reserve Fund*

The operating reserve fund is used to cure any deficiency in the senior debt service account. If at any time the amount on deposit in the operating reserve fund exceeds the operating reserve requirement, amounts in excess of the operating reserve requirement shall be deposited into the revenue fund.

#### *Senior Debt Service Reserve Fund*

The senior debt service reserve fund is used to cure any deficiency in the senior debt service subaccount of the senior debt service fund. As of June 30, 2025, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the Trust Indenture.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### **Note 3: Deposits and Investments (Continued)**

#### *Senior Debt Service Account*

The senior debt service account is used to pay out on or before each interest payment date, for the Series 2021A Bonds, the amount required for the interest payment on such interest payment date and pay out on or before each principal payment date, the amount required for the principal payment due on such due date.

#### *Senior Capitalized Interest Fund*

The senior capitalized interest subaccount of the project fund is used to pay interest due on the bonds on each interest payment date. Pursuant to the Trust Indenture, if at any time the Trustee receives a Certificate of the Project Administrator evidencing that the Project has produced total net revenues for the immediately preceding two consecutive 12-month periods sufficient to produce a debt service coverage ratio of at least 1.20:1.00, and provided that no event of default under the Trust Indenture shall have occurred and is continuing, the balance of the capitalized interest fund shall be transferred to the revenue fund. As of June 30, 2025, these terms had not yet been met to trigger the transfer of funds.

#### *Administrative Expense Fund*

The administrative expense fund shall be used only for the purpose of paying administrative expenses. In the event the amount in the administrative expense fund is insufficient to pay the administrative expenses, the Trustee shall apply amounts in the operating reserve fund for the payment of administrative expenses.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

### Note 4: Fair Value Measurements

The following is a description of the valuation methodologies used for assets measured at fair value.

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities and exchange traded funds. Certificates of deposit, corporate bonds, and government obligations are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Agency believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

Information regarding assets at fair value on a recurring basis as of June 30, 2025 is as follows:

	Total Assets at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2025				
Money market funds	\$ 2,994,066	\$ -	\$ 2,994,066	\$ -
Guaranteed investment contracts	6,796,167	6,796,167	-	-
<b>Total</b>	<b>\$ 9,790,233</b>	<b>\$ 6,796,167</b>	<b>\$ 2,994,066</b>	<b>\$ -</b>

Following is a description of the valuation methodology and significant inputs used for each asset and liability measured at fair value on a recurring or nonrecurring basis, as well as the classification of the asset or liability within the fair value hierarchy.

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

*Guaranteed investment contracts* - The fair value of guaranteed investment contracts are based on inputs that are observable, such as quoted prices for similar assets in active markets, interest rates, yield curve volatilities and credit risk. Interest rates range from 1.13% to 2.02%. The contract issuer is contractually obligated to repay the principal and interest at the specified interest rate that is guaranteed to the investment holder. The investment holder may withdraw the full principal balance on deposit, terminating the contract, at any time.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

### Note 5: Capital Assets

The capital assets balance at June 30, 2025 consists of the following activity:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not depreciated:				
Land	\$ 23,490,615	\$ -	\$ -	\$ 23,490,615
Capital assets depreciable:				
Building and improvements	99,906,799	686,839	-	100,593,638
Furniture, fixtures and equipment	15,600	-	-	15,600
<b>Total depreciable capital assets</b>	<b>99,922,399</b>	<b>686,839</b>	<b>-</b>	<b>100,609,238</b>
Less accumulated depreciation:				
Building and improvements	(9,076,223)	(3,400,880)	-	(12,477,103)
Furniture, fixtures and equipment	(3,592)	(3,168)	-	(6,760)
<b>Total accumulated depreciation</b>	<b>(9,079,815)</b>	<b>(3,404,048)</b>	<b>-</b>	<b>(12,483,863)</b>
<b>Total capital assets, depreciable (net)</b>	<b>90,842,584</b>	<b>(2,717,209)</b>	<b>-</b>	<b>88,125,375</b>
<b>Capital assets, net</b>	<b>\$ 114,333,199</b>	<b>\$ (2,717,209)</b>	<b>\$ -</b>	<b>\$ 111,615,990</b>

Depreciation expense for the year ended June 30, 2025 was \$3,404,048.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 6: Bonds Payable

On March 30, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021 A-1 (Social Bonds) (Series 2021 A-1 Bonds) in the amount of \$25,000,000, Essential Housing Revenue Bonds Series 2021 A- 2 (Social Bonds) (Series 2021 A-2 Bonds) in the amount of \$98,775,000, and Essential Housing Revenue Bonds Series 2021 A-T (Federally Taxable) (Series 2021 A-T Bonds) in the amount of \$7,875,000, collectively, the Series 2021A Bonds. The proceeds of the Series 2021A Bonds were used for the financing the cost of the acquisition of a multifamily rental housing facility and related improvements known as The Mix at CTR City and the costs of issuance of the Series 2021A Bonds.

Concurrently with the issuance of the Series 2021A Bonds, the Agency directly issued Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds) in the amount of \$4,125,000 to Manatt Housing Solutions LLC (MHS), a California limited liability company, in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the Mix at CTR City, a business plan and certain intellectual property created by MHS.

Obligations	Original Amount	Interest Rate	Final Maturity Date	Balance Outstanding June 30, 2025
Essential Housing Revenue Bonds, Series 2021 A-1	\$ 25,000,000	3.30 %	April 1, 2056	\$ 24,875,000
Essential Housing Revenue Bonds, Series 2021 A-2	98,775,000	4.00 %	April 1, 2056	98,775,000
Essential Housing Revenue Bonds, Series 2021 A-T	7,875,000	5.00 %	April 1, 2041	7,545,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	4,125,000	8.00 %	April 1, 2056	4,125,000

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

### Note 6: Bonds Payable (Continued)

Bonds payable consisted of the following at June 30, 2025:

Obligations	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025
Essential Housing Revenue Bonds, Series 2021 A-1	\$ 24,875,000	\$ -	\$ -	\$ 24,875,000
Essential Housing Revenue Bonds, Series 2021 A-2	98,775,000	-	-	98,775,000
Essential Housing Revenue Bonds, Series 2021 A-T	7,545,000	-	-	7,545,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	4,125,000	-	-	4,125,000
Unamortized Bond Premiums on Series 2021 A-2	3,368,807	-	(105,845)	3,262,962
<b>Total</b>	<b>\$ 138,688,807</b>	<b>\$ -</b>	<b>\$ (105,845)</b>	<b>\$ 138,582,962</b>

Interest payments on the bonds are due semi-annually (April 1st and October 1st) commencing October 1, 2021. Principal payments are not to be made on any bond unless and until such bond is tendered to the Trustee for cancellation; however partial payments may be made from time to time at the election of ownership.

The bonds require the Project to maintain a DSCR, as defined in the agreement, of 1.20:1.00, measured on an annual basis. If the DSCR calculated is not equal to or greater than 1.20:1.00, the Agency will cause the Project Administrator to select and appoint, a Housing Consultant to make written recommendations regarding the fees, rentals, rates and charges imposed and collected by or on behalf of the Project Administrator and transferred to the Trustee, in connection with the operation of the Project, and regarding improvements or changes in the operations or management of or the services rendered by the Project Administrator; provided, however, that in the event that a Housing Consultant shall deliver a report to the Project Administrator, the Agency and the Trustee stating that state or federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit, or by their application make it impracticable for the Project Administrator to conduct its business so as to maintain the DSCR at a level sufficient to meet the debt service coverage requirement, then the debt service coverage requirement shall be reduced to the highest practicable ratio permitted by the laws or regulations then in effect but in no event less than 1.00:1.00.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

### Note 6: Bonds Payable (Continued)

The Project's principal and interest payments are flexible based on cash flows from the Project. Future maturities of bonds payables are as follows at June 30, 2025:

Year Ended June 30,	Principal	Interest	Total
2026	\$ -	\$ 5,403,675	\$ 5,403,675
2027	-	5,403,675	5,403,675
2028	-	5,403,675	5,403,675
2029	-	5,403,675	5,403,675
2030	-	5,403,675	5,403,675
2031-2035	-	27,018,375	27,018,375
2036-2040	-	27,018,375	27,018,375
2041-2045	7,545,000	31,219,263	38,764,263
2046-2050	-	25,509,375	25,509,375
2051-2055	24,875,000	23,955,937	48,830,937
2056-2060	102,900,000	165,000	103,065,000
<b>Total</b>	<b>\$ 135,320,000</b>	<b>\$ 161,904,700</b>	<b>\$ 297,224,700</b>

Long-term pledged revenues as of June 30, 2025 is as follows:

<i>Type of Pledged Revenue</i>	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Interest Paid on A and B Bonds During the Year Ended 2025	2025 Pledged Revenue Available
<b>Net Rental Revenue</b>				
Essential Housing Revenue Bonds, Series 2021 A	2056	\$ 211,049,043	\$ 5,149,125	\$ 4,703,829
Essential Housing Revenue Bonds, Series 2021 B	2056	14,190,000	-	-
<b>Total</b>		<b>\$ 225,239,043</b>	<b>\$ 5,149,125</b>	<b>\$ 4,703,829</b>

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 7: Related-Party Transactions

The Agency signed a Project Administration Agreement (PAA) with a third-party administrator on March 1, 2021, for The Mix housing facility (the project) and a PAA with a new third-party administrator on October 1, 2022 that establishes the terms and conditions upon which the third-party administrator shall, as an independent contractor, monitor, supervise, coordinate, analyze and report to the Agency with respect to the project and the project manager's performance under the PAA. The PAA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PAA. Project administration fees incurred and paid to the project administrator under the PAA during the year ended June 30, 2025, were \$195,007. Accrued project administration fees were \$33,850 as of June 30, 2025.

The Agency also signed a Property Management Agreement (PMA) with a third-party property manager on March 1, 2021, for the project that establishes the terms and conditions for the operation and maintenance of the project including preparing annual operating budgets, marketing and leasing the project, collecting rents, managing the payment of operating expenses for the project, maintenance and repair of the project and management of on-site employees. The PMA renews automatically on its anniversary date unless terminated as a result of circumstances as defined by the PMA. The property management fees are the greater of 2.25% of gross operating revenue or \$12,000 per month. Property management fees and reimbursable expenses incurred for the year ended June 30, 2025 were \$191,343 and \$788,972. Accrued property management fees at June 30, 2025, were \$16,472.

Under the terms of the Indenture, the Project must pay the Agency an annual administrative fee of \$150,000 payable each March 1, commencing March 1, 2021. Annual administrative fees paid as of June 30, 2025 were \$150,000.

The project is subject to a Public Benefit Agreement, which the Agency signed with the City of Anaheim, California (City), and is dated as of March 1, 2021. Pursuant to the Public Benefit Agreement, commencing 15 years after the date of issuance of the Series 2021A Bonds (the sale right exercise date or March 1, 2036), and for a period of time thereafter terminating on the date that is the earlier of 14 years from the sale right exercise date, or the date on which there is no debt outstanding, the City shall have the right to cause the Agency to sell all of the Agency's right, title and interest, including the fee simple title to the real property, in and to all property and assets used in or related to the project to the City or the City's designee, at a sales price at least equal to the sum of an amount sufficient to prepay any debt secured by the project and any expenses associated with effecting the sale.

### Note 8: Commitments and Contingencies

In the ordinary course of business, the Agency occasionally becomes involved in legal proceedings relating to contracts, environmental issues, or other matters. While any proceeding or litigation has an element of uncertainty, management of the Agency believes that the outcome of any pending or threatened actions will not have a material adverse effect on the business or financial condition of the Agency. It is at least reasonably possible that within the near term an outcome pertaining to these matters could differ from management's estimates, and the resulting change could be material to the consolidated financial statements.

# CMFA Special Finance Agency I

## Notes to the Consolidated Financial Statements

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### Note 9: Leases

The Project enters into lease agreements for each housing unit with terms that vary, but a majority of lease terms are one year or less. Occasionally, a few lease agreements are leased with terms exceeding twelve months. Each lease agreement entered does not grant lease renewal options.

The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments.

The lease receivables are initially measured at the present value of the remaining lease fixed payments over twelve months, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Project's incremental borrowing rate.

Lease payments included in the measurement of the lease receivables associated to these lease agreements comprise of only fixed payments.

The deferred inflows of resources are initially measured at the commencement of the lease term. This is equal to the amount of the lease receivables plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. As of June 30, 2025, the deferred inflows of resources were \$5,002,888, which includes \$68,902 of deferred revenue.

As lease payments are received, the lease receivables will be reduced, and the deferred inflows of resources will be recognized as revenue.

Maturities of lease receivables are as follows as of June 30, 2025:

	Total Lease Payments	Amounts Representing Interest	Present Value of Lease Payments
2026	\$ 2,222,535	\$ 177,063	\$ 2,045,472
2027	753,577	177,443	576,134
2028	623,488	79,227	544,261
2029	433,947	62,119	371,828
2030	411,925	38,262	373,663
Thereafter	1,167,625	144,997	1,022,628
<b>Total</b>	<b>\$ 5,613,097</b>	<b>\$ 679,111</b>	<b>\$ 4,933,986</b>

## **Supplementary Information**

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# CMFA Special Finance Agency I

## Consolidating Statement of Net Position

*As of June 30, 2025*

	Agency	The Mix	Eliminations	Consolidated
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 336,750	\$ 745,436	\$ -	\$ 1,082,186
Restricted cash	-	312,847	-	312,847
Restricted investments	-	9,790,233	-	9,790,233
Tenant accounts receivable, net	-	75,899	-	75,899
Lease receivables, current portion	-	2,055,171	-	2,055,171
Prepaid expenses	-	97,057	-	97,057
<b>Total current assets</b>	<b>336,750</b>	<b>13,076,643</b>	<b>-</b>	<b>13,413,393</b>
Lease receivables, net of current portion	-	2,878,815	-	2,878,815
Capital assets, net	-	111,615,990	-	111,615,990
Lease commissions, net	-	77,701	-	77,701
<b>Total assets</b>	<b>\$ 336,750</b>	<b>\$ 127,649,149</b>	<b>-</b>	<b>\$ 127,985,899</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 147,569	\$ -	\$ 147,569
Accrued expenses	-	157,252	-	157,252
Accrued interest	-	2,030,698	-	2,030,698
Security deposits	-	312,847	-	312,847
<b>Total current liabilities</b>	<b>-</b>	<b>2,648,366</b>	<b>-</b>	<b>2,648,366</b>
Long-term bonds payable, net	-	138,582,962	-	138,582,962
<b>Total liabilities</b>	<b>-</b>	<b>141,231,328</b>	<b>-</b>	<b>141,231,328</b>
Deferred inflows of resources	-	5,002,888	-	5,002,888
Net deficit:				
Net investment in capital assets	-	(28,997,670)	-	(28,997,670)
Restricted for debt service and other purposes	-	10,103,080	-	10,103,080
Unrestricted	336,750	309,523	-	646,273
<b>Total net deficit</b>	<b>336,750</b>	<b>(18,585,067)</b>	<b>-</b>	<b>(18,248,317)</b>
<b>Total liabilities, deferred inflows of resources, and net deficit</b>	<b>\$ 336,750</b>	<b>\$ 127,649,149</b>	<b>-</b>	<b>\$ 127,985,899</b>

See Independent Auditor's Report.

**CMFA Special Finance Agency I**  
**Consolidating Statement of Revenues, Expenses, and Change in Net Deficit**  
*Year Ended June 30, 2025*

For the year ended June 30,	Agency	The Mix	Eliminations	Consolidated
Operating Revenues:				
Rental income	\$ -	\$ 8,628,062	\$ -	\$ 8,628,062
Other income	250,000	410,231	(250,000)	410,231
<b>Total operating revenues</b>	<b>250,000</b>	<b>9,038,293</b>	<b>(250,000)</b>	<b>9,038,293</b>
Operating Expenses:				
Administrative expenses	75,000	781,985	(250,000)	606,985
Advertising	-	50,930	-	50,930
Amortization	-	15,798	-	15,798
Depreciation	-	3,404,048	-	3,404,048
Insurance	126	280,518	-	280,644
Legal and professional fees	7,045	5,851	-	12,896
Other	-	137,416	-	137,416
Project administration fees	-	195,007	-	195,007
Project management expense	-	191,343	-	191,343
Repairs and maintenance	-	1,501,672	-	1,501,672
Salaries and wages	-	696,984	-	696,984
Utilities	-	476,960	-	476,960
<b>Total operating expenses</b>	<b>82,171</b>	<b>7,738,512</b>	<b>(250,000)</b>	<b>7,570,683</b>
<b>Operating income</b>	<b>167,829</b>	<b>1,299,781</b>	<b>-</b>	<b>1,467,610</b>
Nonoperating revenues (expenses):				
Interest income	-	317,829	-	317,829
Interest expense	-	(5,375,113)	-	(5,375,113)
<b>Total nonoperating expenses</b>	<b>-</b>	<b>(5,057,284)</b>	<b>-</b>	<b>(5,057,284)</b>
<b>Change in net position</b>	<b>167,829</b>	<b>(3,757,503)</b>	<b>-</b>	<b>(3,589,674)</b>
<b>Net deficit at June 30, 2024</b>	<b>168,921</b>	<b>(14,827,564)</b>	<b>-</b>	<b>(14,658,643)</b>
<b>Net deficit at June 30, 2025</b>	<b>\$ 336,750</b>	<b>\$ (18,585,067)</b>	<b>\$ -</b>	<b>\$ (18,248,317)</b>

See Independent Auditor's Report.

# CMFA Special Finance Agency I

## Consolidating Statement of Cash Flows

*Year Ended June 30, 2025*

	Agency	The Mix	Eliminations	Consolidated
Cash flows from operating activities:				
Cash received from customers	\$ 150,000	\$ 9,017,754	\$ -	\$ 9,167,754
Cash paid to suppliers and service providers	(82,171)	(4,364,645)	-	(4,446,816)
<b>Net cash flows from operating activities</b>	<b>67,829</b>	<b>4,653,109</b>	<b>-</b>	<b>4,720,938</b>
Cash flows from capital and related financing activities:				
Purchases of capital assets	-	(686,839)	-	(686,839)
Payments for leasing commissions	-	(26,397)	-	(26,397)
Interest payments on long-term bonds payable	-	(5,149,125)	-	(5,149,125)
Principal payments on bonds	-	-	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>(5,862,361)</b>	<b>-</b>	<b>(5,862,361)</b>
Cash flows from investing activities:				
Net change in restricted investments	-	1,223,043	-	1,223,043
Interest income	-	317,829	-	317,829
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>1,540,872</b>	<b>-</b>	<b>1,540,872</b>
Net change in cash and cash equivalents	67,829	331,620	-	399,449
Cash, cash equivalents, and restricted cash - beginning of year	268,921	726,663	-	995,584
<b>Cash, cash equivalents, and restricted cash - end of year</b>	<b>\$ 336,750</b>	<b>\$ 1,058,283</b>	<b>\$ -</b>	<b>\$ 1,395,033</b>

See Independent Auditor's Report.

**CMFA Special Finance Agency I**  
**Consolidating Statement of Cash Flows (Continued)**  
*Year Ended June 30, 2025*

	Agency	The Mix	Eliminations	Consolidated
Net operating income	\$ 167,829	\$ 1,299,781	\$ -	\$ 1,467,610
Adjustments to reconcile net operating income to net cash flows from operating activities:				
Depreciation	-	3,404,048	-	3,404,048
Amortization	-	15,798	-	15,798
Changes in operating assets and liabilities:				
Tenant accounts receivable	-	(61,523)	-	(61,523)
Prepaid expenses and other assets	-	85,169	(100,000)	(14,831)
Lease receivables	-	(767,827)	-	(767,827)
Accounts payable	-	(207,634)	-	(207,634)
Accrued expenses	-	76,486	-	76,486
Deferred inflows of resources	(100,000)	788,931	100,000	788,931
Tenant security deposits	-	19,880	-	19,880
Total adjustments	(100,000)	3,353,328	-	3,253,328
Net cash flows from operating activities	(32,171)	4,653,109	-	4,720,938
Cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	336,750	745,436	-	1,082,186
Restricted cash and cash equivalents:				
Tenant security deposit funds	-	312,847	-	312,847
Total cash, cash equivalents, and restricted cash	\$ 336,750	\$ 1,058,283	\$ -	\$ 1,395,033
Supplemental cashflow information:				
Noncash financing activities:				
Accrued interest	\$ -	\$ 331,833	\$ -	\$ 331,833
Amortization of bond premium	-	(105,845)	-	(105,845)

See Independent Auditor's Report.