ICFA

INDEPENDENT CITIES FINANCE AUTHORITY

Independent Cities Finance Authority
Audited Financial Statements
and Supplementary Information

As of and For the Year Ended June 30, 2021

With Independent Auditor's Report

VASQUEZ + COMPANY LLP

An independently owned member RSM US Alliance

RSM

Independent Cities Finance Authority
Audited Financial Statements
and Supplementary Information
As of and For the Year Ended June 30, 2021
With Independent Auditor's Report

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Independent Auditor's Report

Members of the Governing Board
Independent Cities Finance Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Independent Cities Finance Authority (the Authority) which comprise the statement of net position as of June 30, 2021, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vasquez & Company LLP

Glendale, California
July 12, 2022

Within this section of the Independent Cities Finance Authority's (ICFA or the "Authority") Financial Report for the year ended June 30, 2021, management provides a narrative discussion and analysis of the entity for the year reported on.

ICFA's net assets exceeded its liabilities by $683,419 as of June 30, 2021. That amount reflects an increase between years of $121,200 attributable to higher fees received than expenses paid during the year. There has been considerable discussion and efforts made to enter programs for financing low-and-moderate income housing, but none of those programs affected operations for the year ended June 30, 2021. Condensed financial comparison between years are as follows:

	June 30		
	2021	**2020**	**Change**
Assets			
Cash and cash equivalents	**$ 628,552**	$ 460,206	$ 168,346
Accounts receivable	**6,993**	58,093	(51,100)
Accrued interest receivable	**1,505**	2,621	(1,116)
Long-term loan receivable	**67,973**	72,610	(4,637)
	705,023	593,530	111,493
Liabilities			
Accounts payable and accrued expenses	**21,604**	31,311	(9,707)
Net position	**$ 683,419**	$ 562,219	$ 121,200

Details of operations are as follows:

	Years ended June 30		
Revenues	**2021**	**2020**	**Change**
Program fees	**$ 405,697**	$ 366,328	$ 39,369
Auxiliary revenues	**6,500**	2,000	4,500
Investment income	**3,363**	8,868	(5,505)
	415,560	377,196	38,364
Expenses			
Management fees	**207,174**	225,000	(17,826)
Legal	**43,519**	40,892	2,627
Other professional services	**22,230**	20,430	1,800
Insurance	**5,905**	5,676	229
Public relations	**5,450**	4,224	1,226
Conferences and related travel	**4,400**	914	3,486
Directors' fees and expenses	**3,435**	2,100	1,335
Community outreach	**-**	15,000	(15,000)
Others	**2,247**	4,396	(2,149)
	294,360	318,632	(24,272)
Net income	**$ 121,200**	$ 58,564	$ 62,636

Capital assets and Long-term Debt

The Authority does not have capital assets and long-term debt.

Requests for Information

This financial report is designed to provide the Authority's governing board, funding sources, customers, stakeholders and other interested parties with an overview of the Authority's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Authority's Executive Director.

ASSETS		
Cash and cash equivalents		$ 628,552
Accounts receivable		6,993
Accrued interest receivable		1,505
Long-term loan receivable		67,973
	Total assets	705,023
LIABILITIES		
Accounts payable and accrued expenses		21,604
	Total liabilities	21,604
NET POSITION		
Unrestricted		683,419
	Net position	$ 683,419

See notes to financial statements.

Revenues		
Program fees		$ 405,697
Auxiliary revenues		6,500
	Total revenues	412,197
Operating Expenses		
Management fees		207,174
Legal		43,519
Other professional services		22,230
Insurance		5,905
Public relations		5,450
Conferences and related travel		4,400
Directors' fees and expenses		3,435
Others		2,247
	Total operating expenses	294,360
Net income from operations		117,837
Investment income		3,363
Net income for the year		121,200
Net position - beginning of year		562,219
Net position - end of year		$ 683,419

See notes to financial statements.

Cash flows from operating activities		
Cash received from program fees	$	464,078
Cash paid to suppliers of services		(304,848)
Net cash provided by operating activities		159,230
Cash flows from investing activities		
Collection of loan receivable		4,637
Interest received on loan receivable		1,375
Interest received on investments with LAIF		3,104
Cash provided by investing activities		9,116
Net increase in cash and cash equivalents		168,346
Cash and cash equivalents - beginning of year		460,206
Cash and cash equivalents - end of year	$	628,552
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	117,837
Adjustments to reconcile operating income to net cash provided by operating activities		
Decrease in accounts receivable		51,100
Decrease in accounts payable and accrued expenses		(9,707)
Net cash used in operating activities	$	159,230

See notes to financial statements.

NOTE 1 ORGANIZATION AND PROFILE

The Independent Cities Finance Authority (ICFA or the “Authority”) is a joint exercise of powers authority originally set up in 1988 to provide lease financing of capital improvements by member cities. As the objectives of the Authority changed from facilities leasing for cities to affordable housing and other financing activities, the original joint powers agreement was modified to provide for associate memberships to cities in which projects were located. By 2007, the Authority was completely out of the equipment leasing business having completed the 'Fresh Rate' program.

In fiscal year ended June 30, 2003, the Authority changed its focus to begin working with non-profit entities to provide affordable housing through mobile home parks. The principal strategy was to provide conduit financing for affordable housing mobile home projects. This strategy would provide for affordable housing while not obligating the Authority to the liabilities, servicing of substantial lease obligations nor payments of interest and principal on the bonded debt. In 2011/2012 the Authority expanded its activities to a community hospital, a charter school and bridge financing for a wastewater treatment facility. There have been discussions about housing and down payment assistance. Approvals have been received from Federal agencies, but the program is not yet in operation. The lease/purchase of affordable housing is also under consideration.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority’s financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. 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. The Authority’s more significant accounting policies are described below.

Basis of Accounting and Measurement Focus
The Authority is accounted for as an enterprise fund (proprietary fund type) for financial reporting purposes. The activities of the enterprise-type fund closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The accompanying financial statements have been prepared using the total economic measurement focus and the accrual basis of accounting. Under this basis of accounting and measurement focus, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Authority's financial statements are presented in accordance with the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.* Statement No. 63 requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net assets. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of invested in capital assets. Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amounts. The Authority did not have net investment in capital assets as of June 30, 2021.

- *Restricted* – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The Authority did not have a restricted net position as of June 30, 2021.

- *Unrestricted* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Classifications of Revenues and Expenses

Operating revenues consist of fees relating to the origination and continuance of the bond issues set up for the purpose of purchasing and equipping the mobile home parks by the non-profit agencies and more recently, other activities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses consist primarily of management, professional fees and more recently, marketing. Due to the inability of cities to obtain financing for low-and-moderate income housing during the recent economic slowdown, and ICFA's ability to do so, ICFA management entered into contracts for representation in Los Angeles to assist in interfacing with governing bodies.

Cash and Cash Equivalents

Cash equivalents are defined as cash and short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of 3 months or less.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Authority is not subject to income taxes pursuant to Section 115 of the Internal Revenue Code and the corresponding section of the California Revenue and Taxation Code.

Change in Name

The Authority's name was changed from the Independent Cities Lease Finance Authority to the Independent Cities Finance Authority on May 31, 2008, to better reflect the nature of the Authority's operations. For the sake of clarity, the changed name was used for audited financial statements presentations beginning in 2006.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2021 consist of the following:

Cash in bank	$ 259,155
Investments with Local Agencies Investment Fund (LAIF), an agency of the State of California	369,397
Total cash and cash equivalents	$ 628,552

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

The Authority is a voluntary participant in the LAIF, a special fund regulated by the California State Treasury through which each city, district or agency may invest up to $40 million. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four (24) hours without loss of interest.

Risk
In accordance with GASB Statement No. 40, *Deposit and Risk Disclosure – an Amendment of GASB Statement No.3,* certain required disclosures regarding investment policies and practices with respect to the risk associated with their credit risk, concentration of credit risk, custodial credit risk and interest rate risk are discussed in the following paragraphs:

Interest Rate Risk
Interest rate risk, as defined under GASB Statement No. 40, is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021, the Authority was not exposed to interest rate risk.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holder of the investment. As of June 30, 2021, the Authority was not exposed to credit risk.

Concentration of Credit Risk
Under GASB Statement No. 40, concentration of credit risk is the risk of loss attributable to the magnitude of the Authority's investment in a single issuer. As of June 30, 2021, the Authority was not exposed to concentration of credit risk.

Custodial Credit Risk
GASB Statement No. 40 defines custodial credit risk as the risk that the Authority will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party.

The California Government Code requires California banks and savings and loan associations to secure a local government agency's (agency) deposit by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposit by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits.

The agency may waive collateral requirements for deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits are exposed to custodial credit risk if they are uninsured and are either:

a. Uncollateralized.
b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name.

As of June 30, 2021, the Authority was not exposed to custodial credit risk.

NOTE 4 FAIR VALUE MEASUREMENT

During the fiscal year ended June 30, 2017, the Authority implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Authority categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; while Level 3 inputs are significant unobservable inputs.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that the government can access at the measurement date.

- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for an asset or liability.

The Authority's investments in LAIF as of June 30, 2021, is reported at the Authority's pro-rata share of the amortized cost provided by LAIF for the entire portfolio. This amount approximates fair value.

NOTE 5 LONG-TERM LOAN RECEIVABLE

On November 1, 2013, Augusta Communities, LLC borrowed $90,000 from the Authority subject to a Residual Receipts Promissory Note in favor of the Authority. The promissory note bears interest of two percent (2%) per annum subject to partial assignment of gross receipts of a mobile home park in Yucaipa, California. Payments of principal and interest thereon are due and payable based on a twenty (20) year amortization schedule commencing August 15, 2016. The outstanding balance of the loan amounted to $67,973 as of June 30, 2021.

NOTE 6 CONDUIT DEBT ISSUED AND RELATED MOBILE HOME PARKS

As discussed in Note 1, beginning in 2003, a program was initiated for the issuance of conduit debt for the payment of purchase cost and development of locations to be used as low- and moderate-income mobile home parks. The Authority became the issuer, as previously mentioned, and had no financial or managerial responsibilities.

In 2012, conduit debt was allocated to purchase and equip construction of a charter school.

Millennium Housing Corporation

Beginning in 2003, the Authority entered into agreements with Millennium Housing Corporation and its affiliates, Millennium Housing of California and Coach of San Diego, Inc. to finance its acquisition of mobile home parks throughout California through issuance of debts described as follows:

Westlake and Millbrook Mobile Home Park – refinanced in 2017
Location: Fresno, California
Issuance of the Mobile Home Park Revenue Refunding Bonds, Series 2017A, for $17,330,000. The proceeds of these bonds were used to fund a loan to Millennium Housing California, to, along with other funds available to Millennium to (1) finance the acquisition of the Millbrook Mobile Home Village, (2) refund the Authority's Mobile Home Park Revenue Bonds (Millbrook Mobile Home Village) Series 2013A (the "Prior Millbrook Series A Bonds") and Mobile Home Park Subordinate Revenue Bonds (Millbrook Mobile Home Village) Series 2013 B (the "Prior Millbrook Series B Bonds"), and (3) refund the Authority's Mobile Home Park Revenue Refunding Bonds (Westlake Mobile Home Park) Series 2007A (the "Prior Westlake Bonds"). The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 4.00% payable semi-annually on June 15 and December 15 of each year, and will mature in 2051.

Hacienda Valley Mobile Estates – refinanced in 2014
Location: Morgan Hill, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2014, for $10,415,000. The proceeds of the bonds were used primarily to fund a loan to Millennium Housing, LLC, a California limited liability company (the "Borrower"), to, along with other funds available to the Borrower, (1) refund in full, certain Prior Bonds issued to finance the acquisition and improvement of the Hacienda Valley Estates located in the City of Morgan Hill, California (the "Project"), (2) fund the Debt Service Reserve Fund, (3) fund the Repair and Replacement Fund and the Rental Assistance Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 3.00% to 5.00% payable semi-annually on May 15 and November 15 of each year, and will mature in 2049.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

San Juan Mobile Estates – refinanced in 2015
Location: San Juan Capistrano, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2015, for $37,235,000. The proceeds of the Bonds are to be used primarily to fund a loan to Millennium Housing, LLC, a California limited liability company (the "Borrower"), to, along with other funds available to the Borrower, (1) refund in full certain Prior Bonds issued to finance the acquisition and improvement of the San Juan Mobile Estates located in the City of San Juan Capistrano, California (the "Project"), (2) fund the Debt Service Reserve Fund, (3) fund the Repair and Replacement Fund and the Rental Assistance Fund, and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 5.00% payable semi-annually on February 15 and August 15 of each year, and will mature in 2050.

Santa Rosa Leisure Mobile Home Park – refinanced in 2016
Location: Santa Rosa, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2016, for $14,160,000. The proceeds of the bonds were used primarily to fund a loan to Millennium, (the "Borrower"), to, along with other funds available to the Borrower, (1) refinance the 2007 Loan in part and refund the 2007 Bonds in part, which were issued to finance the acquisition and improvement of the Santa Rosa Leisure Mobile Home Park located in the City of Santa Rosa, California (the "Project"), (2) prepay the Housing Authority Loan, (3) fund the Debt Service Reserve Fund, (4) fund the Repair and Replacement Fund and the Rental Assistance Fund, and (5) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 5.00% payable semi-annually on February 15 and August 15 of each year, and will mature in 2051.

Lamplighter Salinas Mobile Home Park
Location: Salinas, California
Issuance of Mobile Home Park Revenue Bonds, Series 2010A for $18,930,000 and Series 2010B for $5,495,000. The proceeds of the Bonds were used to fund a loan to Millennium, (the "Borrower"), to (1) finance the acquisition by the Borrower of certain real property constituting the Lamplighter Salinas Mobilehome Park located in the City of Salinas, California (the "Project"), (2) fund the Series A Bonds Debt Service Reserve Fund, and (3) make deposits to the Repair and Replacement Fund and the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 5.00% to 6.50% payable semi-annually on January 15 and July 15 of each year, and will mature in 2050.

On March 17, 2020, Millenium Housing Corporation (Assignor) assigned its interest in the Mobile Home Park Revenue Bonds (Lamplighter Salinas Mobilehome Park) to Lamplighter LLC (Assignee), wherein the Assignee assumes all of the Assignor's rights, interests and obligations under the regulatory agreement.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Castle Mobile Estates – refinanced in 2021
Location: Capitola, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2021 for $10,215,000. The proceeds of the Bonds were used primarily to fund a loan to Millennium (the "Borrower"), to (1) refund in full certain Prior Bonds issued to finance the acquisition and improvement of the Castle Mobile Estates mobile home park located in the City of Capitola City, California (the "Project"), (2) repay the City Loan, (3) fund the Debt Service Reserve Fund, (4) fund the Repair and Replacement Fund and (5) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by revenues generated from the rent of mobile home parks, bear interest of 3% payable semi-annually on May 15 and November 15 of each year, and will mature in 2056.

Rancho Del Sol and Grandview East Mobile Home Park
Location: Yucaipa, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2012A, for $6,795,000. The proceeds of the Bonds were used to fund a loan to Coach of San Diego, LLC, an affiliate of Millennium, (the "Borrower"), to (1) refund in full certain Prior Bonds used to finance the acquisition and renovation by the Borrower of certain real properties constituting the Rancho Del Sol Mobile Home Park and the Grandview East Mobile Home Estates, each located in the City of Yucaipa, California (the "Projects"), (2) fund the Restricted Account of the Repair and Replacement Fund and (3) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 3.50% to 5.50% payable semi-annually on May 15 and November 15 of each year, and will mature in 2047.

Sahara Mobile Home Park – refinanced in 2021
Location: Palm Springs, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2021 for $12,395,000. The proceeds of the Bonds were used to fund a loan to Millennium, (the "Borrower"), to (1) refund in full certain Prior Bonds issued to finance the acquisition and improvement of Sahara Mobile Home Park located in the City of Palm Springs, California (the "Project"), (2) repay the City Loan, (3) fund the Debt Service Reserve Fund, (4) fund the Repair and Replacement Fund and (5) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 1.40% to 3.20% payable semi-annually on June 15 and December 15 of each year, and will mature in 2056.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Rancho Feliz and Las Casitas De Sonoma Mobile Home Park
Location: Rohnert Park, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2012 for $23,520,000. The proceeds of the Bonds were used to fund a loan to Millennium, (the "Borrower"), to (1) refund in full certain Prior Bonds issued to finance the acquisition and renovation of certain real property constituting the Rancho Feliz Mobile Home Park located in the City of Rohnert Park, California (the "Rancho Feliz Project"), (2) refund in full certain Prior Bonds issued to finance the acquisition and renovation of certain real property constituting the Las Casitas de Sonoma Mobile Home Park located in the City of Rohnert Park, California (the "Las Casitas Project" and, together with the Rancho Feliz Project, the "Projects"), (3) fund the Debt Service Reserve Fund, (4) fund the Restricted Account of the Repair and Replacement Fund and (5) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 5.00% payable semi-annually on April 15 and October 15 of each year, and will mature in 2047.

Rancho Vallecitos Mobile Home Park
Location: San Marcos, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2013 for $21,475,000. The proceeds of the Bonds were used to fund a loan to Millennium, (the "Borrower"), to (1) refund in full certain prior bonds issued to finance the acquisition and renovation of certain real property constituting the Rancho Vallecitos Mobile Estates located in the City of San Marcos, California (the "Project"), (2) fund the Debt Service Reserve Fund, (3) fund the Restricted Account of the Repair and Replacement Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 1.20% to 5.00% payable semi-annually on April 15 and October 15 of each year, and will mature in 2048.

Vista de Santa Barbara Mobile Home Park – refinanced in 2021
Location: Carpenteria, California
Issuance of Mobile Home Park Revenue Bonds, Series 2013A, for $8,430,000 and $6,250,000 Series 2013 B. The proceeds of the Bonds were used primarily to fund a loan to Millennium, (the "Borrower"), to (1) finance the acquisition and improvement by the Borrower of the Vista de Santa Barbara Mobilehome Park located in the City of Carpinteria, California (the "Project"), (2) fund the Series A Bonds Debt Service Reserve Fund and the Subordinate Bonds Debt Service Reserve Fund, (3) fund the Restricted Account of the Repair and Replacement Fund and a Rental Assistance Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 4.50% to 5.88% payable semi-annually on March 15 and September 15 of each year, and will mature in 2048. These bonds were refinanced in September 2021 through the issuance of Mobile Home Park Revenue Refunding Bonds, Series 2021A for $14,070,000 and Series 2021B for $1,000,000. These bonds were refinanced in August 2021. Refer to Note 8.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Palomar East Estates and Palomar West Estates Mobile Home Parks
Location: San Marcos, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2015, for $14,590,000. The proceeds of the Bonds were used primarily to fund a loan to Millennium, (the "Borrower"), to, along with other funds available to the Borrower, (1) refund certain Prior Bonds issued to finance the acquisition and improvement by the Borrower of a leasehold interest in the Palomar Estates East located in the City of San Marcos, California (the "Project"), (2) fund the Debt Service Reserve Fund, (3) fund the Repair and Replacement Fund and the Rental Assistance Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 5.00% payable semi-annually on March 15 and September 15 of each year, and will mature in 2036.

The Woods Mobile Home Park
Location: Clovis, California
Issuance of Mobile Home Park Revenue Bonds, Series 2016A, and Mobile Home Park Subordinate Revenue Bonds, Series 2016B for $27,015,000 and $3,335,000, respectively. The proceeds of the Bonds were used primarily to fund a loan to Millennium, (the "Borrower"), to, along with other funds available to the Borrower, (1) finance the acquisition and improvement by the Borrower of The Woods Mobile Home Park located in the City of Clovis, California (the "Project"), (2) fund the Series A Bonds Debt Service Reserve Fund and the Subordinate Series B Bonds Debt Service Reserve Fund, (3) fund the Restricted Account of the Repair and Replacement Fund and the Rental Assistance Fund and (4) make deposits to the Series A Bonds Debt Service Fund and the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 3.00% to 4.13% payable semi-annually on April 15 and October 15 of each year, and will mature in 2051.

Pillar Ridge Mobile Home Park
Location: County of San Mateo, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2014A, and Mobile Home Subordinate Revenue Refunding Bonds, Series 2014B, for $29,865,000 and $515,000, respectively. The proceeds of the Bonds were used primarily to fund a loan to Coach of San Diego, LLC, an affiliate of Millennium, (the "Borrower"), to (1) refund in full certain Prior Bonds issued to finance the acquisition and improvement of the Pillar Ridge Manufactured Home Community located in the County of San Mateo, California (the "Project"), (2) fund the Series A Bonds Debt Service Reserve Fund and the Subordinate Series B Bonds Debt Service Reserve Fund, (3) fund the Restricted Account of the Repair and Replacement Fund and a Rental Assistance Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.50% to 5.75% payable semi-annually on May 15 and November 15 of each year, and will mature in 2049.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Pillar Ridge Mobile Home Park (continued)
In April 2019, the Authority approved the City of Union City as an associate member of ICFA. This led to the issuance of conduit bonds to finance the acquisition and improvement of Tropics Mobile Home Park located in the City of Union City on behalf of Millennium.

Tropics Mobile Home Park
Location: Union City, California
Issuance of Mobile Home Park Revenue Refunding Bonds, Series 2019, for $34,715,000. The proceeds of the Bonds are to be used primarily to fund a loan to Millennium Housing of California, a California nonprofit public benefit corporation (the “Borrower”), and along with other funds available to the Borrower, to (1) refund in full certain Prior Bonds issued to finance the acquisition and improvement of the Tropics Mobile Home Park located in the City of Union City, California (the “Project”), (2) fund the Debt Service Reserve Fund, (3) fund the Repair and Replacement Fund and the Rental Assistance Fund and (4) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 3.00% to 5.00% payable semi-annually on May 15 and November 15 of each year, and will mature in 2048.

Augusta Communities LLC

In 2012, the Authority entered into an agreement with Augusta Communities, LLC to finance the following mobile home parks in San Bernardino County: three in Montclair, one in Yucaipa, California.

- Valley View Mobile Home Park - Yucaipa
- Villa Montclair Mobile Home Park - Montclair
- Monterey Manor Mobile Home Park - Montclair
- Hacienda Mobile Home Park - Montclair

The Authority issued Mobile Home Park Revenue Refunding Bonds, Series 2012A, and Mobile Home Park Subordinate Revenue Refunding Bonds, Series 2012B, for $20,125,000 and $785,000, respectively.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Augusta Communities LLC (Continued)

The proceeds of the Bonds were used to fund a loan to Augusta Communities LLC, (the "Borrower"), to (1) refund certain revenue bonds previously issued by the City of Montclair Redevelopment Agency (the "Montclair RDA") to finance the acquisition and renovation of certain real property constituting the Hacienda Mobile Home Park located in the City of Montclair, California (the "Hacienda Project"), (2) refund certain revenue bonds previously issued by the Montclair RDA to finance the acquisition and renovation of certain real property constituting the Monterey Manor Mobile Home Estates located in the City of Montclair, California (the "Monterey Manor Project"), (3) refund certain revenue bonds previously issued by the Montclair RDA to finance the acquisition and renovation of certain real property constituting the Villa Montclair Mobile Home Park located in the City of Montclair, California (the "Villa Montclair Project"), (4) refund certain revenue bonds previously issued by the Yucaipa Redevelopment Agency to finance the acquisition and renovation of certain real property constituting the Valley View Mobile Home Park located in the City of Yucaipa, California (the "Valley View Project" and, collectively with the Hacienda Project, the Monterey Manor Project and the Villa Montclair Project, the "Projects"), (5) fund the Series A Bonds Debt Service Reserve Fund and the Subordinate Series B Bonds Debt Service Reserve Fund, (6) fund the Restricted Account of the Repair and Replacement Fund and (7) make deposits to the Cost of Issuance Fund established under the Indenture. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 1.00% to 5.75% payable semi-annually on May 15 and November 15 of each year, and will mature in 2047.

Augusta Communities III LLC

Rancho Robles Mobile Home Park – refinanced in 2021

Location: Visalia, California
Issuance of Mobile Home Park Revenue Refunding Bonds Series 2021 for $10,825,000. The proceeds of the Bonds were used to fund a loan to Augusta Communities III, LLC (the "Borrower"), to (1) refund in full certain revenue bonds previously issued by the Authority to finance the acquisition and improvement of the Rancho Robles Mobile Home Park located in the City of Visalia, California (the "Project"), (2) fund the Debt Service Reserve Fund, (3) fund the Repair and Replacement Fund and (4) to pay the costs of issuing the Bonds. The bonds are secured by the revenues generated from the rent of mobile home parks, bear interest of 2.00% to 4.00% payable semi-annually on November 15 and May 15 of each year and will mature in 2056. These bonds were refinanced in October 2021. See Note 8.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Alliance Broadway School Project

Alliance College-*Ready Public School.*

Issuance of Charter School Revenue Bonds, Series 2011A and Series 2011B (collectively the “Series 2011 Bonds”) for $9,844,675 and $5,168,000, respectively. The Series 2011 Bonds were issued by the Authority and loaned to 1918 Broadway Charter Financing LLC (the “Borrower”), a limited liability company organized for non-profit purposes under the laws of the State, pursuant to a Loan Agreement dated as of November 1, 2011 between the Authority and Borrower (the “Loan Agreement”) for the purpose of: (1) facilitating the financing of the costs of acquiring, constructing, improving and furnishing charter school facilities and the related site located at 211 S. Avenue 20, Los Angeles, California (the “Facilities”) for lease to the Lessees, (2) paying capitalized interest during construction, and (3) paying certain issuance expenses (collectively, the “Series 2011 Project”).

The Borrower loaned the proceeds of the Series 2011 Bonds (the “Leveraged Loan”) received from the Authority to Alliance Broadway Investment Fund, LLC (the “Investment Fund”); and the Investment Fund used the proceeds received from the Borrower, in addition to other funds, to make one or more equity investments in GLA Sub-CDE XI, LLC, New Markets Investment 65, LLC and LIIF Sub-CDE XV, LLC (collectively, the “CDEs”) to qualify the Investment Fund for New Markets Tax Credits under Section 45D of the Code. The CDEs used the proceeds of the equity investment to make one or more loans (the “Project Loans”) to 1918 Broadway Charter Facilities, LLC (the “Lessor”) to finance capital costs of the Facilities that are costs that would otherwise have been financed directly with the proceeds of the Series 2011 Bonds. The Borrower and the Lessor are affiliates of Alliance for College-Ready Public Schools (the “Parent”). The Credit Agreement by and among the Lessor, the CDEs and GSB NMTC Investor LLC, a Delaware limited liability company, provides for the use of the proceeds of the Bonds in a manner facilitating the NMTC financing and provides, among other things, that the Lessor will use the proceeds of the CDE Loans traceable to proceeds of the Bonds only for purposes permitted under the terms of the Bonds.

The Facilities were and continue to be leased by the Lessor to Alliance College-Ready Middle Academy No. 5, a California non-profit public benefit corporation, and Alliance College-Ready Academy High School No. 14, a California non-profit public benefit corporation (collectively, the “Lessees”). The Series 2011 Bonds originally bear interest from 6.00% to 8.00% (the “Initial Interest Rates”) payable annually on September 15 and will mature in 2030.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

Alliance Broadway School Project (Continued)

In November 2018, pursuant to the Supplemental Indenture, the Bonds were remarketed on November 28, 2018 (the “Conversion Date”), the date on which Initial Interest Rates on the Bonds were adjusted to Term Interest Rate at 6.60% per annum on and after Conversion Date. Certain other amendments were made to the terms of the Bonds, including but not limited to: (1) the release of certain revenues of the Borrower deposited in the Debt Service Reserve Fund to redeem a portion of the outstanding Bonds and to pay costs associated with the remarketing of the Bonds, (2) the elimination in the increase in the Debt Service Reserve Fund Requirement (Annual), which serves as a sinking fund for the payment of the Bonds, originally scheduled to commence with the remarketing of the Bonds, such that the required deposit of the revenues of the Borrower remains at $471,033 annually through maturity of the Bonds, (3) the change in the optional redemption of the Bonds to the maturity date of the Bonds, and (4) the elimination of the subordination of series 2011B Bonds to the Series 2011A Bonds commencing on the Remarketing Date (collectively, the “Indenture Amendments”).

The Bonds are secured, among other things, by: (1) the Leverage Loan, including all rights or revenues of the Borrower attributable to or derived from the Leveraged Loan, (2) the Leasehold Mortgage from each of the Lessees for the benefit of the Authority, and (3) the Lessee Guaranty. The Indenture contemplates that the collateral for the Bond Loan will be replaced or substituted by the Project Loans as collateral for the Bond Loan. The Project Loans are secured, among other things, by: (1) a Deed of Trust, Security Agreement and Assignment of Leases, by the Lessor in favor of the CDEs, and (2) the Parent Guaranty.

City of Compton Sales Tax Revenue Bonds Series of 2021

On December 22, 2020, the ICFA Board of Directors approved the issuance of Sales Tax Revenue Bonds Series 2021 on behalf of the City of Compton in the amount of $37,120,000. The bonds were issued in March 2021 to (1) finance the design, acquisition, and construction of certain local roadway and street improvement projects in the City of Compton (2) fund the debt service reserve fund for the Bonds, and (3) pay the costs incurred in connection with the issuance of the Bonds. The bonds are secured by a pledge of the City’s Measure M, Measure R, and Proposition C receipts. The Bonds bear interest of 4.00% payable semi-annually on June 1 and December 1 of each year and will mature in 2051.

NOTE 6 CONDUIT DEBTS ISSUED AND RELATED MOBILE HOME PARKS (CONTINUED)

The outstanding balance of the debts are as follows as of June 30, 2021:

Mobile home parks		
Millenium Group of Companies	$	275,905,000
Augusta Communities, LLC		17,245,000
Augusta Communities III, LLC		10,825,000
Other		
Alliance Charter Schools		11,705,905
City of Compton		37,120,000

NOTE 7 CONTINGENT LIABILITIES

The Authority is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of the Authority.

NOTE 8 SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through July 12, 2022, the date the financial statements were available to be issued and concluded no events have occurred that require disclosure or adjustments to the financial statements, other than the following:

- On August 18, 2021, the ICFA Board of Directors approved the refinancing of Vista de Santa Barbara Mobile Home Park in the City of Carpinteria on behalf Millennium Housing in the amount of $15,070,000. Closing date was September 15, 2021.

- On October 13, 2021, the ICFA Board of Directors approved the refinancing of Rancho Robles Mobile Home Park (formerly Mooney Grove Mobile Home Park) in the City of Visalia on behalf of Augusta Communities in the amount of $10,825,000. Closing date was November 3, 2021.

- On November 17, 2022, the ICFA Board of Directors approved the refinancing of Rancho del Sol Mobile Home Park and Grandview East Mobile Home Park in the City of Yucaipa on behalf of Millennium Housing in the amount of $7,890,000. Closing date was December 22, 2021.

NOTE 8 SUBSEQUENT EVENTS

- On April 13, 2022, the ICFA Board of Directors approved the refinancing of Hacienda Mobile Home Park, Monterey Manor Mobile Home Estates, and Villa Montclair Mobile Home Park (Augusta Communities Mobile Home Park Pool) in the City of Montclair on behalf of Augusta Communities in the amount of $20,760,000. Closing date was May 18, 2022.

- On May 31, 2022, the ICFA Board of Directors approved the refinancing of Las Casitas de Sonoma Mobile Home Park and Rancho Feliz Mobile Home Park in the City of Rohnert Park on behalf of Millennium Housing in an amount not to exceed $25,000,000. Due to rising interest rates, the transaction has not yet closed as of date.

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