CMFA SPECIAL FINANCE AGENCY VII
SENIOR ESSENTIAL HOUSING REVENUE BONDS, SERIES 2021A-1
JUNIOR ESSENTIAL HOUSING REVENUE BONDS, SERIES 2021A-2
(THE BREAKWATER APARTMENTS)

CONTINUING DISCLOSURE ANNUAL REPORT
FOR THE
FISCAL YEAR ENDING JUNE 30, 2024

TABLE OF CONTENTS

I. INTRODUCTION

Pursuant to the Continuing Disclosure Agreement, dated August 19, 2021 (the "Disclosure Agreement"), the CMFA Special Finance Agency VII (the "Agency") hereby provides its continuing disclosure annual report for the fiscal year ending June 30, 2024 (the "Continuing Disclosure Annual Report") in connection with the Agency's Senior Essential Housing Revenue Bonds, Series 2021A-1 and Junior Essential Housing Revenue Bonds, Series 2021A-2 (The Breakwater Apartments) (collectively, the "Bonds").

Each maturity of the Bonds is identified by the corresponding CUSIP Number set forth below. The CUSIP numbers below are provided for the convenience of Bondholders. The Agency is not responsible for the accuracy or completeness of such numbers.

Series	Maturity Date	CUSIP
2021A-1	August 1, 2056	12574UAA2
2021A-2	August 1, 2047	12574UAC8

Other Matters: This Continuing Disclosure Annual Report is provided solely pursuant to the Disclosure Agreement. The filing of this Continuing Disclosure Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the Agency, the Facilities, or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this Continuing Disclosure Annual Report relates (other than as contained in this Continuing Disclosure Annual Report), or any other date specified with respect to any of the information contained in this Continuing Disclosure Annual Report, or that no other information exists, which may have a bearing on the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this Continuing Disclosure Annual Report has been delivered by the Program Administrator. No statement in this Continuing Disclosure Annual Report should be construed as a prediction or representation about future financial performance of the Agency or the Facilities.

Dated: January 15, 2025

CMFA Special Finance Agency VII

Pursuant to the Disclosure Agreement, the Continuing Disclosure Annual Report of the Agency shall include the following information:

(a) (1) audited financial statements for the Agency, on a consolidated basis, and (2) audited financial statements for the Facilities, supplied by the Project Administrator pursuant to the Project Administration Agreement in each case including a balance sheet and related statements of income and changes in financial position as of the end of such fiscal year and for such fiscal year, which shall be prepared and reported on without qualification by an independent certified public accountant in accordance with GAAP, and shall fairly present the financial condition of the Agency and the Facilities, as applicable, as of the end of such fiscal year;

(b) a certificate signed by the Disclosure Representative stating that (1) during such fiscal year to the best of the Agency's actual knowledge, the Agency has observed and performed all of its covenants and agreements set forth in the Indenture and the other Bond Documents, except as disclosed in such certificate, and (2) no Event of Default has occurred or exists, except as disclosed in such certificate; and

(c) an occupancy report provided by the Project Administrator pursuant to the Project Administration Agreement stating each lease of all or any part of the Facilities in effect as of the last day of the month prior to the date of delivery thereof, and including the breakdown of (1) units by each income restriction category pursuant to the Regulatory Agreement, (2) market rate units, and (3) other units to the extent tenant income is unknown at the time.

As described above, the audited financial statements of the Agency and the Facilities for the fiscal year ended June 30, 2024 are set forth in Appendices A and B hereto, respectively. The occupancy report and the Disclosure Representative certificate are set forth in Appendices C and D hereto, respectively.

APPENDIX A
AUDITED FINANCIAL STATEMENTS OF THE AGENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CMFA Special Finance Agency VII

Consolidated Financial Statements

Year Ended June 30, 2024

WIPFLI

WIPFLI

Independent Auditor's Report

To the Board of Directors
CMFA Special Finance Agency VII
Carlsbad, California

Opinion

We have audited the accompanying consolidated financial statements of CMFA Special Finance Agency VII (the "Agency"), which comprise the consolidated statements of net position as of June 30, 2024, and the related consolidated statement of revenues, expenses, and change in net position, 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 consolidated financial position of the Agency as of June 30, 2024, and the change in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States ("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 VII 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 the Agency'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 the 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 the 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 consolidated financial statements. Such information is the responsibility of management and, although not a part of the consolidated 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 consolidated 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 position, and consolidating statement of cash flows, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, change in net position, and cash flows of the individual companies, 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 consolidating 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 financial statements as a whole.

Wipfli LLP

Wipfli LLP
Radnor, Pennsylvania

January 15, 2025

This section of CMFA Special Finance Agency VII (the Agency) annual financial report presents the Management's Discussion and Analysis (MD&A) of its financial performance during the year ended June 30, 2024. The information in this section should be read in conjunction with the financial statements and the notes following this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

The Agency was organized on July 1, 2021, under the provisions of the Joint Exercise of Powers Act of the Government Code of the State of California. 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 Huntington Beach, California 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 projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2024

- Restricted cash and investment balances for FY2024 are $6,074,282 below the prior year due to DSCR releases of capitalized interest and coverage reserve funds, as well as withdrawals from the capital expense fund.

- FY2024 operating revenues are $474,695 above the prior year due to rent increases and sustained high occupancy.

- FY2024 operating expenses are $404,683 above the prior year due to increased costs of utilities, salaries, insurance and depreciation. This was offset by reduced repair and maintenance costs.

- Bonds payable decreased $850,263 from the prior year to due to debt principal repayment of $380,000 along with bond premium amortization of $470,263 for the fiscal year.

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Agency's 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. The transactions of the Agency are accounted for utilizing the accrual basis of accounting.

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, 2024 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 Position*** accounts for all the Agency's revenues and expenses for the year ended June 30, 2024. 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, 2024. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying ***Notes to the 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, 2024, and 2023 and changes from the prior year are shown in the table below.

	2024	2023	Change
Assets:			
Cash and cash equivalents	1,070,512	707,446	363,066
Restricted cash & investments	27,162,927	33,237,209	(6,074,282)
Other current assets	776,877	130,139	646,738
Other assets	193,253,766	192,912,282	341,484
Total assets	**222,264,082**	**226,987,076**	**(4,722,994)**
Liabilities:			
Current liabilities	4,884,191	5,343,826	(459,635)
Long-term bonds payable	233,132,500	234,032,763	(900,263)
Total liabilities	**238,016,691**	**239,376,589**	**(1,359,898)**
Deferred inflow of resources	683,442	0	683,442
Net position (deficit)	**(16,436,051)**	**(12,389,513)**	**(4,046,538)**

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 and investments was due to withdrawals for the purposes of capital assets purchases as well as debt obligations.

NET POSITION

The following table presents a condensed statement of revenues, expenses, and change in net position for the years ended June 30, 2024, and 2023.

Condensed Consolidated Statement of Revenues, Expenses and Change in Net Position

	2024	2023	Change
Operating revenues	12,090,590	11,615,895	474,695
Operating expenses	9,788,208	9,383,525	404,683
Nonoperating expenses	6,348,920	7,099,040	(750,120)
Change in net position	**(4,046,538)**	**(4,866,670)**	**820,132**
Net position - beginning of year	(12,389,513)	(7,522,843)	(4,866,670)
Net position - end of year	**(16,436,051)**	**(12,389,513)**	**(4,046,538)**

LIABILITIES

Bonds Payable

Bonds payable decreased $850,263 in FY2024. This comprises principal payments of $380,000 on the Series 2021A Bonds and amortization of $470,263 on the bond premium.

OPERATING REVENUES

Operating revenues increased over the previous year by $474,695. This was due to increases in scheduled rental rates and stable occupancy rates.

Operating Revenues:	2024	2023	Change
Rental income	10,801,249	9,275,348	1,525,901
Other income	1,289,341	2,340,547	(1,051,206)
Total operating revenues	12,090,590	11,615,895	474,695

OPERATING EXPENSES

Operating expenses increased from $9,383,525 in FY2023 to $9,788,208 in FY2024 – an increase of $404,683. This is due to increased costs of utilities, salaries, insurance and depreciation.

CMFA Special Finance Agency VII

Consolidated Statement of Net Position

As of June 30,	2024
Assets	
Current assets:	
Cash and cash equivalents	$ 1,070,512
Restricted cash	726,484
Restricted investments	26,436,443
Tenants accounts receivable, net	29,899
Lease receivables, current portion	636,615
Prepaid expenses	110,363
Total current assets	29,010,316
Lease receivables, net of current portion	2,537
Capital assets, net	193,251,229
Total assets	$ 222,264,082
Liabilities, Deferred Inflow of Resources, and Net Position	
Current liabilities:	
Accounts payable	$ 741,571
Accrued expenses	61,750
Accrued interest	3,368,875
Security deposits	661,995
Current portion of bonds payable	50,000
Total current liabilities	4,884,191
Bonds payable, net of current portion	233,132,500
Total liabilities	238,016,691
Deferred inflow of resources	683,442
Net position:	
Net investment in capital assets	(43,300,146)
Restricted for debt service and other purposes	27,162,927
Unrestricted	(298,832)
Total net position	(16,436,051)
Total liabilities, deferred inflow of resources, and net position	$ 222,264,082

See accompanying notes to the consolidated financial statements.

CMFA Special Finance Agency VII

Consolidated Statement of Revenues, Expenses, and Change in Net Position

Year Ended June 30,	2024
Operating revenues:	
Rental income	$ 10,801,249
Other income	1,289,341
Total operating revenues	12,090,590
Operating expenses	
Advertising	33,451
Depreciation	6,128,724
General and administrative	351,301
Insurance	601,952
Other	85,698
Property management fees	247,963
Project administration fees	250,000
Repairs and maintenance	751,475
Salaries and benefits	816,983
Utilities	520,661
Total operating expenses	9,788,208
Operating income	2,302,382
Nonoperating revenues (expense):	
Interest expense	(7,184,303)
Interest income	835,383
Total nonoperating expense	(6,348,920)
Change in net position	(4,046,538)
Net position as of June 30, 2023	(12,389,513)
Net position as of June 30, 2024	$ (16,436,051)

See accompanying notes to the consolidated financial statements.

CMFA Special Finance Agency VII

Consolidated Statement of Cash Flows

Year Ended June 30,	2024
Cash flows from operating activities:	
Cash received from customers	$ 12,323,730
Cash paid to suppliers and service providers	(4,361,759)
Net cash flows from operating activities	7,961,971
Cash flows from capital and related financing activities:	
Purchase of capital assets	(6,467,671)
Principal payments on bonds	(380,000)
Interest payment on bonds	(7,660,900)
Net cash flows from capital and related financing activities	(14,508,571)
Cash flows from investing activities:	
Net change in restricted investments	5,755,339
Interest income	835,383
Net cash flows from investing activities	6,590,722
Net change in cash, cash equivalents and restricted cash	44,122
Cash, cash equivalents, and restricted cash - beginning of the year	1,752,874
Cash, cash equivalents, and restricted cash - end of the year	$ 1,796,996

CMFA Special Finance Agency VII

Consolidated Statement of Cash Flows (Continued)

Year Ended June 30,		2024
Net operating income	$	2,302,382
Adjustments to reconcile net operating income to net cash flows from operating activities:		
Depreciation		6,128,724
Changes in operating assets and liabilities:		
Tenants accounts receivable		(1,623)
Prepaid expenses		(8,501)
Lease receivable		(640,205)
Accounts payable		(139,785)
Accrued expenses		(404,239)
Deferred inflow of resources		667,987
Tenant security deposits		57,231
Total adjustments		5,659,589
Net cash flows from operating activities	$	7,961,971
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$	1,070,512
Restricted cash and cash equivalents		
Tenant security deposits		661,995
Restricted cash equivalents in accordance with bond indenture		64,489
Total cash, cash equivalents, and restricted cash	$	1,796,996
Supplemental cash flow information:		
Noncash financing activities:		
Amortization of bond premiums	$	470,263
Accrued interest		6,334

See accompanying notes to the consolidated financial statements.

Note 1: Organization, Operations, and Reporting Entity

The CMFA Special Finance Agency VII (the Agency) was organized on July 1, 2021, under the provisions of the Joint Exercise of Powers Act (Act) of the Government Code of the State of California. 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 Huntington Beach, 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 projects that provide 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 Breakwater Apartments, Huntington Beach, California (The Breakwater Apartments)

On August 19, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021A-1 (Senior Bonds), Essential Housing Revenue Bonds Series 2021A-2 (Junior Bonds) and Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds). The Series 2021B Bonds were directly issued to, or at the direction of, Catalyst Housing Group LLC (Catalyst), a California limited liability company 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 Catalyst for the Agency. The bonds, with an aggregate principal amount of $221,885,000, were issued pursuant to a Trust Indenture (the "Indenture") by and between the Agency and Wilmington Trust, National Association, (the "Trustee") to finance the acquisition of a 400-unit multifamily residential rental community and related improvements, personal property and equipment known as The Breakwater Apartments located at 16761 Viewpoint Lane, Huntington Beach, California (the Project).

The accompanying consolidated financial statements include the accounts of the Agency and its subsidiary, The Breakwater Apartments, after elimination of all material intercompany transactions and accounts.

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.

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 statement of revenues, expenses, and changes in net position. Realized gains or losses are determined by specific identification.

Tenant Accounts Receivable

Tenant accounts receivable 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. There is $2,869 of uncollectible allowance recorded as of June 30, 2024.

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 $1,000 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.

Long-Lived Assets

The Agency reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Agency would recognize an impairment loss at that time. No impairment loss was recognized in the fiscal year 2024.

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 position.

Net Position

Net position of the Agency is classified in three components:

- *Net investment in capital asset*s 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 position 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 net position* is the remaining net position that does not meet the definition of net investment in capital assets or restricted for debt service and other purposes.

Income Taxes

As an essential government function of the Agency, the Agency and Project are generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

Note 2: Summary of Significant Accounting Policies (Continued)

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs expensed during the year ended June 30, 2024, were $33,451.

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. Other income consists of income from pet rent, parking, laundry, and utility reimbursements from tenants.

GASB 87 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 receivable and deferred inflow 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 inflow of resources is 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 receivable and deferred inflow 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 January 15, 2025, which is the date the consolidated financial statements were available to be issued.

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.

Note 3: Deposits and Investments (Continued)

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, 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 $661,995 as of June 30, 2024. 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:

Fund / Account Name	As of June 30, 2024
Revenue fund	$ 1,049,813
Operating Reserve fund	662,108
Administrative Expenses fund	166,728
Excess Revenue fund	6,025,379
Extraordinary Expense fund	500,000
Project Acquisition fund	41,574
Capital Reserve fund	7,376,699
Temporary Operating account	223,824
Senior Debt Service account	1,665,117
Senior Debt Service Reserve fund	4,162,500
Junior Debt Service account	1,236,407
Junior Debt Service Reserve fund	3,125,400
Subordinate Debt Service account	200,894
Totals	$ 26,436,443

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.

Note 3: Deposits and Investments (Continued)

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. As of June 30, 2024, the deposits on hand in the operating reserve fund met the operating reserve requirement of $662,108.

Administrative Expenses Fund
The administrative expenses 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.

Excess Revenue Fund
Excess revenue fund shall be applied first to the revenue fund to satisfy any insufficiency of payments required pursuant to flow of funds, and then to the redemption of bonds. On the first date upon which no bonds remain outstanding, any and all moneys in the excess revenue fund shall be transferred by the Trustee to the project jurisdiction.

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, 2024, the deposits on hand in the coverage reserve fund met the coverage reserve deposit requirement of $500,000.

Project Acquisition Fund
The project acquisition fund is used to pay the amounts required by the provision of the Indenture and make disbursements of amounts in accordance with a request of the project administrator for the purpose of paying a portion of the purchase price of the Project.

Capital Reserve Fund
The capital reserve fund is used to cure any deficiency in the senior debt service account. The monies in this account shall be used for the purpose 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.

Temporary Operating Account
The temporary operating account shall be used only to fund the operating account pursuant to the Property Management Agreement and the remaining amount will be available to pay property taxes. Any refunds and amounts remaining as of January 1, 2022 shall be deposited into the Revenue Fund and the Temporary Operating Account shall be closed.

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 Senior 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 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, 2024, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the trust indenture.

Junior Debt Service Account
The junior debt service account is used to pay out on or before each interest payment date, for the Junior 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.

Junior Debt Service Reserve Fund
The junior debt service reserve fund is used to cure any deficiency in the junior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the junior debt service reserve fund met the requirement outlined in the trust indenture.

Subordinate Debt Service Account
The subordinate debt service account is used to fund any interest that is due and payable on the next ensuing interest payment on each series of outstanding subordinate bonds.

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 its 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.

Note 4: Fair Value Measurements (Continued)

Information regarding assets at fair value on a recurring basis as of June 30, 2024 is as follows:

		Recurring Fair Value Measurements Using		
As of June 30, 2024	**Total Assets at Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$ 9,059,533	$ 9,059,533	$ -	$ -
Guaranteed investment contracts	17,376,910	-	17,376,910	-
Totals	$ 26,436,443	$ 9,059,533	$ 17,376,910	$ -

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 fund*s -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 0.91% to 1.50%. 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.

Note 5: Capital Assets

The capital assets balance at June 30, 2024, consists of the following activity:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:				
Land	$ 37,689,839	$ -	$ -	$ 37,689,839
Capital assets depreciable				
Building and improvements	165,258,850	6,453,661	-	171,712,511
Furniture, fixtures, and equipment	249,999	14,010	-	264,009
Total depreciable capital assets	165,508,849	6,467,671	-	171,976,520
Less accumulated depreciation:				
Building and improvements	(10,265,965)	(6,077,668)	-	(16,343,633)
Furniture, fixtures, and equipment	(20,441)	(51,056)	-	(71,497)
Total accumulated depreciation	(10,286,406)	(6,128,724)	-	(16,415,130)
Total capital assets depreciable, net	155,222,443	338,947	-	155,561,390
Total capital assets, net	$ 192,912,282	$ 338,947	$ -	$ 193,251,229

Depreciation expense for the year ended June 30, 2024 was $6,128,724.

Note 6: Bonds Payable

On August 19, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021 A-1 (Senior Bonds) (Series 2021A-1 Bonds) in the amount of $138,750,000 and Essential Housing Revenue Bonds Series 2021 A-2 (Junior Bonds) (Series 2021A-2 Bonds) in the amount of $78,135,000, collectively, the Series 2021A Bonds. The proceeds of the Series 2021A Bonds were used for financing the cost of the acquisition of a multifamily rental housing facility and related improvements known as the Breakwater Apartments 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 $5,000,000 to Catalyst Housing Group LLC, a California limited liability company (Catalyst) in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the Breakwater Apartments, a business plan and certain intellectual property created by Catalyst.

Note 6: Bonds Payable (Continued)

The bonds are summarized as follows:

Obligations	Original Amount	Interest Rate	Final Maturity Date	Balance Outstanding June 30, 2024
Essential Housing Revenue Bonds, Series 2021 A-1	$ 138,750,000	3.00 %	August 1, 2056	$ 138,750,000
Essential Housing Revenue Bonds, Series 2021 A-2	78,135,000	4.00 %	August 1, 2047	77,270,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	8.00 %	August 1, 2061	5,000,000

Activity for the bonds was as follows for the year ended June 30, 2024:

Obligations	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Essential Housing Revenue Bonds, Series 2021 A-1	$ 138,750,000	$ -	$ -	$ 138,750,000
Essential Housing Revenue Bonds, Series 2021 A-2	77,650,000	-	(380,000)	77,270,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	-	-	5,000,000
Unamortized Bond Premium Series 2021 A Bonds	12,632,763	-	(470,263)	12,162,500
Totals	$ 234,032,763	$ -	$ (850,263)	$ 233,182,500

Interest payments on the bonds are due semi-annually (February 1st and August 1st) commencing February 1, 2022. 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. $50,000 of the outstanding principal balance is classified as a current liability and the remaining $233,132,500 of outstanding principal is classified as a long-term liability as of June 30, 2024.

Note 6: Bonds Payable (Continued)

The bonds require the Project to maintain a DSCR, as defined in the agreement, of 1.10:1.00, measured on an annual basis. If the DSCR calculated is not equal to or greater than 1.10:1.00, 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.

The Project's principal and interest payments are flexible based on cash flows from the Project. Based on management projections at the time of underwriting, the amortization schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 50,000	$ 7,687,900	$ 7,737,900
2026	280,000	7,683,900	7,963,900
2027	540,000	7,670,100	8,210,100
2028	825,000	7,645,700	8,470,700
2029	1,125,000	7,609,800	8,734,800
2030-2034	16,575,000	36,194,400	52,769,400
2035-2039	22,360,000	32,747,600	55,107,600
2040-2044	39,215,000	27,045,000	66,260,000
2045-2049	55,755,000	18,737,600	74,492,600
2050-2054	79,295,000	8,946,500	88,241,500
2055-2059	-	2,000,000	2,000,000
2060-2061	5,000,000	1,000,000	6,000,000
Totals	$ 221,020,000	$ 164,968,500	$ 385,988,500

Note 6: Bonds Payable (Continued)

Long-term pledged revenues as of June 30, 2024 are as follows:

Type of Pledges Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Expense For the Year Ended 2024	2024 Pledged Revenue Available
Net Rental Revenue:				
Essential Housing Revenue Bonds, Series 2021 A	2056	$ 365,988,500	$ 7,164,303	$ 7,694,669
Essential Housing Revenue Bonds, Series 2021 B	2061	20,000,000	400,000	400,000
Totals		$ 385,988,500	$ 7,564,303	$ 8,094,669

Note 7: Related-Party Transactions

The Agency signed a Project Administration Agreement (PAA) with a third-party administrator, Catalyst, on August 1, 2021, for the Project 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, 2024 were $250,000. All project administration fees were paid by June 30, 2024, as such, there was no accrued expense at June 30, 2024.

The Agency also signed a Property Management Agreement (PMA) with a third-party property manager, Greystar, on August 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 2.00% of gross operating revenue or $17,300 per month. Property management fees and reimbursable expenses incurred for the year ended June 30, 2024 were $247,963 and $1,039,621. Accrued property management fees at June 30, 2024, were $21,808.

Under the terms of the Indenture, the Project must pay the Agency an annual administrative fee of $150,000 payable each August 1, commencing August 1, 2022. Annual administrative fees prepaid as of June 30, 2024 were $12,500.

Note 7: Related-Party Transactions (Continued)

The project is subject to a Public Benefit Agreement, which the Agency signed with the City of Huntington Beach, California (City), and is dated as of August 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 August 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 financial statements.

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 receivable is 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 receivable associated to these lease agreements comprise of only fixed payments.

The deferred inflow of resources is initially measured at the commencement of the lease term. This is equal to the amount of the lease receivable 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, 2024, the deferred inflow of resources was $683,442, which includes $43,734 of deferred revenue.

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

Note 9: Leases (Continued)

Maturities of lease receivables are as follows as of June 30, 2024:

	Total Lease Payments	Amounts Representing Interest	Present Value of Lease Payments
2025	$ 640,318	$ 3,703	$ 636,615
2026	2,557	20	2,537
Totals	$ 642,875	$ 3,723	$ 639,152

Supplementary Information

CMFA Special Finance Agency VII

Consolidating Statement of Net Position

As of June 30, 2024

	Agency	Breakwater	Eliminations	Consolidated
Assets				
Current assets:				
Cash and cash equivalents	$ 164,511	$ 906,001	$ -	$ 1,070,512
Restricted cash	-	726,484	-	726,484
Restricted investments	-	26,436,443	-	26,436,443
Tenant accounts receivable, net	-	29,899	-	29,899
Lease receivables, current portion	-	636,615	-	636,615
Prepaid expenses and other assets	-	122,863	(12,500)	110,363
Total current assets	164,511	28,858,305	(12,500)	29,010,316
Lease receivables, net of current portion	-	2,537	-	2,537
Capital assets, net	-	193,251,229	-	193,251,229
Total assets	$ 164,511	$ 222,112,071	$ (12,500)	$ 222,264,082
Liabilities, Deferred Inflow of Resources, and Net Position				
Current liabilities:				
Accounts payable	$ -	$ 741,571	$ -	$ 741,571
Accrued expenses	-	61,750	-	61,750
Accrued interest	-	3,368,875	-	3,368,875
Tenant security deposits	-	661,995	-	661,995
Current portion of bonds payable	-	50,000	-	50,000
Total current liabilities	-	4,884,191	-	4,884,191
Bonds payable, net of current portion	-	233,132,500	-	233,132,500
Total liabilities	-	238,016,691	-	238,016,691
Deferred inflow of resources	12,500	683,442	(12,500)	683,442
Net position:				
Net investment in capital assets	-	(43,300,146)	-	(43,300,146)
Restricted for debt service and other purposes	-	27,162,927	-	27,162,927
Unrestricted	152,011	(450,843)	-	(298,832)
Total net position	152,011	(16,588,062)	-	(16,436,051)
Total liabilities, deferred inflow of resources, and net position	$ 164,511	$ 222,112,071	($ 12,500)	$ 222,264,082

See Independent Auditor's Report.

CMFA Special Finance Agency VII

Consolidating Statement of Revenues, Expenses, and Change in Net Position

Year Ended June 30, 2024

	Agency	Breakwater	Eliminations	Consolidated
Operating revenues:				
Rental income	$ -	$ 10,801,249	$ -	$ 10,801,249
Other income	137,500	1,289,341	(137,500)	1,289,341
Total operating revenues	137,500	12,090,590	(137,500)	12,090,590
Operating expenses:				
Advertising	-	33,451	-	33,451
Depreciation	-	6,128,724	-	6,128,724
General and administrative	107,190	244,111	-	351,301
Insurance	100	601,852	-	601,952
Other	-	223,198	(137,500)	85,698
Property management fees	-	247,963	-	247,963
Project administration fees	-	250,000	-	250,000
Repairs and maintenance	-	751,475	-	751,475
Salaries and benefits	-	816,983	-	816,983
Utilities	-	520,661	-	520,661
Total operating expenses	107,290	9,818,418	(137,500)	9,788,208
Net operating income	30,210	2,272,172	-	2,302,382
Nonoperating revenues (expenses):				
Interest expense	-	(7,184,303)	-	(7,184,303)
Interest income	-	835,383	-	835,383
Total nonoperating expense	-	(6,348,920)	-	(6,348,920)
Change in net position	30,210	(4,076,748)	-	(4,046,538)
Net position at June 30, 2023	121,801	(12,511,314)	-	(12,389,513)
Net position at June 30, 2024	$ 152,011	$ (16,588,062)	$ -	$ (16,436,051)

See Independent Auditor's Report.

CMFA Special Finance Agency VII

Consolidating Statement of Cash Flows

Year Ended June 30, 2024

	Agency	Breakwater	Eliminations	Consolidated
Cash flows from operating activities:				
Cash received from customers	$ 149,750	$ 12,173,980	$ -	$ 12,323,730
Cash paid to suppliers and service providers	(107,290)	(4,254,469)	-	(4,361,759)
Net cash flows from operating activities	42,460	7,919,511	-	7,961,971
Cash flows from capital and related financing activities:				
Purchases of capital assets	-	(6,467,671)	-	(6,467,671)
Principal payments on bonds	-	(380,000)	-	(380,000)
Interest payments on bonds	-	(7,660,900)	-	(7,660,900)
Net cash flows from capital and related financing activities	-	(14,508,571)	-	(14,508,571)
Cash flows from investing activities:				
Net change in restricted investments	-	5,755,339	-	5,755,339
Interest income	-	835,383	-	835,383
Net cash flows from investing activities	-	6,590,722	-	6,590,722
Net change in cash and cash equivalents	42,460	1,662	-	44,122
Cash, cash equivalents, and restricted cash - beginning of year	122,051	1,630,823	-	1,752,874
Cash, cash equivalents, and restricted cash - end of year	$ 164,511	$ 1,632,485	$ -	$ 1,796,996

See Independent Auditor's Report.

CMFA Special Finance Agency VII

Consolidating Statement of Cash Flows (Continued)

Year Ended June 30, 2024

	Agency	Breakwater	Eliminations	Consolidated
Net operating income	$ 30,210	$ 2,272,172	$ -	$ 2,302,382
Adjustments to reconcile net operating income to net cash and cash equivalents from operating activities:				
Depreciation and amortization	-	6,128,724	-	6,128,724
Changes in operating assets and liabilities:				
Tenant accounts receivable	-	(1,623)	-	(1,623)
Prepaid expenses and other assets	-	(21,001)	12,500	(8,501)
Lease receivable	-	(640,205)	-	(640,205)
Accounts payable	(250)	(139,535)	-	(139,785)
Accrued expenses	-	(404,239)	-	(404,239)
Deferred inflow of resources	12,500	667,987	(12,500)	667,987
Tenant security deposits	-	57,231	-	57,231
Total adjustments	12,250	5,647,339	-	5,659,589
Net cash flows from operating activities	$ 42,460	$ 7,919,511	$ -	$ 7,961,971
Cash, cash equivalents, and restricted cash:				
Cash and cash equivalents	$ 164,511	$ 906,001	$ -	$ 1,070,512
Restricted cash and cash equivalents:	-		-	
Tenant security deposit funds	-	661,995	-	661,995
Restricted cash and cash equivalents in accordance with bond indenture	-	64,489	-	64,489
Total cash and cash equivalents	$ 164,511	$ 1,632,485	$ -	$ 1,796,996
Supplemental cashflow information:				
Noncash financing activities:				
Amortization of bond premium	$ -	$ 470,263	$ -	$ 470,263
Accrued interest	-	6,334	-	6,334

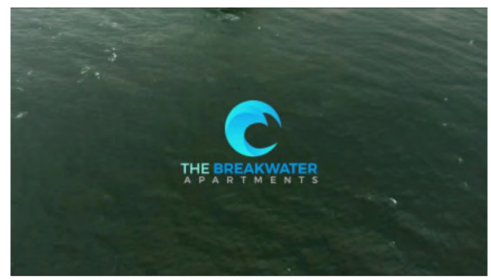
See Independent Auditor's Report.

APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE FACILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

The Breakwater Apartments

Financial Statements

Year Ended June 30, 2024



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Independent Auditor's Report

To the Board of Directors
CMFA Special Finance Agency VII
Carlsbad, California

Opinion

We have audited the accompanying financial statements of The Breakwater Apartments, a division of the CMFA Special Finance Agency VII, which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and change in net position, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Breakwater Apartments as of June 30, 2024, and the changes in net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States (''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 Financial Statements section of our report. We are required to be independent of The Breakwater Apartments and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Breakwater Apartments' 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 Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Breakwater Apartments’ internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Breakwater Apartments' 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.

Wipfli LLP

Wipfli LLP

Radnor, Pennsylvania
October 23, 2024

The Breakwater Apartments
(A division of the CMFA Special Finance Agency VII)
Management's Discussion and Analysis

This section of The Breakwater Apartments (the Project), a division of the CMFA Special Finance Agency VII's (the Agency) annual financial report presents the Management's Discussion and Analysis (MD&A) of its financial performance during the year ended June 30, 2024. The information in this section should be read in conjunction with the financial statements and the notes following this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

The Agency was organized on July 1, 2021, under the provision of the Joint Exercise of Powers Act of the Government Code of the State of California. 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 Huntington Beach, California 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 projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals.

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED JUNE 30, 2024

- Restricted cash and investment balances for FY2024 are $6,074,282 below the prior year due to DSCR releases of capitalized interest and coverage reserve funds, as well as withdrawals from the capital expense fund.
- FY2024 operating revenues are $474,695 above the prior year due to rent increases and sustained high occupancy.
- FY2024 operating expenses are $387,489 above the prior year due to increased costs of utilities, salaries, insurance and depreciation. This was offset by reduced repair and maintenance costs.
- Bonds payable have decreased $850,263 from the prior year to due to debt principal repayment of $380,000 along with bond amortization of $470,263 for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Project's financial statements include the MD&A, financial statements, and accompanying notes to the basic financial statements. This report also includes other information intended to furnish additional detail to the intended users.
Basis of Presentation: The transactions of the Project are accounted for as a division utilizing the accrual basis of accounting.

FINANCIAL STATEMENTS

The financial statements of the Project 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 Project's activities.

- The ***Statement of Net Position*** includes all the Project's assets and liabilities as of June 30, 2024 and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Project's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Project and assessing the liquidity and financial flexibility of the Project.

- The ***Statement of Revenues, Expenses and Change in Net Position*** accounts for all the Project's revenues and expenses for the year ended June 30, 2024. This statement reflects the results of the Project's operations over the year and can be used to determine the Project's creditworthiness and its ability to successfully recover all its costs through user fees and other income.

- The ***Statement of Cash Flows*** provides information about the Project's cash receipts and cash payments during the year ended June 30, 2024. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities. The statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

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

CONDENSED STATEMENTS OF FINANCIAL POSITION

The assets, liabilities, and net position as of June 30, 2024, and 2023 and changes from the prior year are shown in the table below.

	2024	**2023**	**Change**
Asset:			
Cash	906,001	585,395	320,606
Restricted cash & investment	27,162,927	33,237,209	(6,074,282)
Other current assets	789,377	130,139	659,238
Other assets	193,253,766	192,912,282	341,484
Total assets	**222,112,071**	**226,865,025**	**(4,752,954)**
Liabilities:			
Current liabilities	4,884,191	5,343,576	(459,385)
Long-term debt	233,132,500	234,032,763	(900,263)
Total liabilities	**238,016,691**	**239,376,339**	**(1,359,648)**
Deferred inflow of resources	683,442	-	683,442
Net position (deficit)	**(16,588,062)**	**(12,511,314)**	**(4,076,748)**

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 withdrawals for the purposes of capital expenses as well as releases of certain reserve funds upon meeting debt service coverage thresholds.

NET POSITION

The following table presents a condensed statement of revenues, expenses, and change in net position for the years ended June 30, 2024, and 2023.

Condensed Statement of Revenues, Expenses and Change in Net Position

	2024	2023	Change
Revenues	12,090,590	11,615,895	474,695
Operating expenses	9,818,418	9,430,929	387,489
Non-operating expenses	6,348,920	7,099,040	(750,120)
Change in net position	**(4,076,748)**	**(4,914,074)**	**(837,326)**
Net position - beginning of year	(12,511,314)	(7,597,240)	(4,914,074)
Net position - end of year	(16,588,062)	(12,511,314)	(4,076,748)

LIABILITIES

Long-term debt

Bonds payable decreased $850,263 in FY2024. This comprises principal payments of $380,000 on the Series 2021A bonds and amortization of $470,263 on the bond premium.

OPERATING REVENUES

Operating revenues increased over the previous year by $474,695. This was due to increases in scheduled rent for the period along with stable occupancy and some reduced economic loss.

Operating Revenues:	2024	2023	Change
Rental income	10,801,249	9,275,348	1,525,901
Other income	1,289,341	2,340,547	(1,051,206)
Total operating revenues	12,090,590	11,615,895	474,695

OPERATING EXPENSES

Operating expenses increased from $9,430,929 in FY2023 to $9,818,418 in FY2024 – an increase of $387,489. This is due to increased costs of utilities, salaries, insurance and depreciation.

The Breakwater Apartments
Statement of Net Position

As of June 30,	2024
Assets	
Cash and cash equivalents	$ 906,001
Restricted cash	726,484
Restricted investments	26,436,443
Tenant accounts receivable, net	29,899
Lease receivable, current portion	636,615
Prepaid expenses	122,863
Total current assets	28,858,305
Lease receivable, net of current portion	2,537
Capital assets, net	193,251,229
Total other assets	193,253,766
Total assets	$ 222,112,071
Liabilities, Deferred Inflow of Resources, and Net Position	
Current liabilities:	
Accounts payable	$ 741,571
Accrued expenses	61,750
Accrued interest	3,368,875
Tenant security deposits	661,995
Current portion of bonds payable	50,000
Total current liabilities	4,884,191
Bonds payable	233,132,500
Total liabilities	238,016,691
Deferred inflow of resources	683,442
Net position:	
Net investment in capital assets	(43,300,146)
Restricted for debt service and other purposes	27,098,438
Unrestricted	(386,354)
Total net position (deficit)	(16,588,062)
Total liabilities, deferred inflow of resources, and net position	$ 222,112,071

See accompanying notes to the financial statements.

The Breakwater Apartments

Statement of Revenues, Expenses, and Change in Net Position

Year Ended June 30,	2024
Rental income	$ 10,801,249
Other income	1,289,341
Total operating revenues	12,090,590
Operating expenses	
Advertising	33,451
Depreciation	6,128,724
General and administrative	244,111
Insurance	601,852
Other	223,198
Property management fees	247,963
Project administration fees	250,000
Repairs and maintenance	751,475
Salaries and benefits	816,983
Utilities	520,661
Total operating expenses	9,818,418
Income from operations	2,272,172
Nonoperating income (expense):	
Interest expense	(7,184,303)
Interest income	835,383
Change in net position	(4,076,748)
Net deficit at June 30, 2023	(12,511,314)
Net deficit at June 30, 2024	$ (16,588,062)

See accompanying notes to the financial statements.

The Breakwater Apartments

Statement of Cash Flows

Year Ended June 30,	2024
Cash flows from operating activities:	
Cash received from customers	$ 12,173,980
Cash paid to suppliers and service providers	(4,254,469)
Net cash flows from operating activities	7,919,511
Cash flows from capital and related financing activities:	
Purchases of capital assets	(6,467,671)
Principal payment on bonds	(380,000)
Interest payment on bonds	(7,660,900)
Net cash flows from capital and related financing activities	(14,508,571)
Cash flows from investing activities:	
Net change in restricted investments	5,755,339
Interest income	835,383
Net cash flows from investing activities	6,590,722
Net change in cash, cash equivalents, and restricted cash	1,662
Cash, cash equivalents, and restricted cash - beginning of the year	1,630,823
Cash, cash equivalents, and restricted cash - end of year	$ 1,632,485
Net operating income	$ 2,272,172
Adjustments to reconcile net operating income to net cash, cash equivalents, and restricted cash from operating activities:	
Depreciation	6,128,724
Changes in operating assets and liabilities:	
Tenant accounts receivable	(1,623)
Prepaid expenses	(21,001)
Lease receivable	(640,205)
Accounts payable	(139,535)
Accrued expenses	(404,239)
Deferred inflow of resources	667,987
Tenant security deposits	57,231
Total adjustments	5,647,339
Net cash flows from operating activities	$ 7,919,511
Cash, cash equivalents, and restricted cash:	
Cash and cash equivalents	$ 906,001
Restricted cash and cash equivalents:	
Tenant security deposits	661,995
Restricted cash equivalents in accordance with bond indenture	64,489
Total cash, cash equivalents, and restricted cash	$ 1,632,485
Supplemental cash flow information:	
Noncash financing activities:	
Amortization of bond premiums	$ 470,263
Accrued interest	$ 6,334

See accompanying notes to the financial statements.

Note 1: Organization, Operations and Reporting Entity

The CMFA Special Finance Agency VII (the Agency) was organized on July 1, 2021, under the provisions of the Joint Exercise of Powers Act (Act) of the Government Code of the State of California. 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 Huntington Beach, California 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 projects that provide 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 Breakwater Apartments, Huntington Beach, California (Breakwater Apartments)

On August 19, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021A-1 (Senior Bonds), Essential Housing Revenue Bonds Series 2021A-2 (Junior Bonds) and Subordinate Essential Housing Revenue Bonds Series 2021B (Series 2021B Bonds). The Series 2021B Bonds were directly issued to, or at the direction of, Catalyst Housing Group LLC (Catalyst), a California limited liability company, 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 Catalyst for the Agency. The bonds, with an aggregate principal amount of $221,885,000, were issued to finance the acquisition of a 400-unit multifamily residential rental community and related improvements, personal property and equipment known as The Breakwater Apartments located at 16761 Viewpoint Lane, Huntington Beach, California (the Project).

The accompanying financial statements of the Breakwater Apartments are intended to present the financial position, changes in financial position and cash flows, of only that portion of the business-type activities of the Agency that are attributable to the transactions of the Breakwater Apartments. They do not purport to, and do not, present fairly the financial position of the Agency as of June 30, 2024, 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 (GAAP).

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The Project's 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.

Note 2: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of 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 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 statement of revenues, expenses, and changes in net position. Realized gains or losses are determined by specific identification.

Tenant Accounts Receivable

Tenant accounts receivable are uncollateralized residential 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. Management has recorded an allowance for doubtful accounts of $2,869 as of June 30, 2024.

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 $1,000 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.

Long-Lived Assets

The Project reviews their long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Project would recognize an impairment loss at that time. No impairment loss was recognized in the fiscal year 2024.

Note 2: Summary of Significant Accounting Policies (Continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the 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 Project has no items that are reported in this category.

In addition to liabilities, the 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 statement of revenues, expenses, and change in net position.

Net Position

Net position of the Project is classified in three components:

- *Net investment in capital asset*s 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 position 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 net position* is the remaining net position that does not meet the definition of net investment in capital assets or restricted for debt service and other purposes.

Income Taxes

As an essential government function of the Agency, the Project is generally exempt from federal and state income taxes under Section 115 of the Internal Revenue Code and a similar provision of state law.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs expensed during the year ended June 30, 2024 were $33,451.

Note 2: Summary of Significant Accounting Policies (Continued)

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. Other income consists of income from pet rent, parking, laundry, and utility reimbursements from tenants.

GASB 87 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 receivable and deferred inflow 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 inflow of resources is 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 receivable and deferred inflow 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 Company has evaluated subsequent events through October 23, 2024, which is the date the financial statements were available to be issued.

Note 3: Deposits and Investments

The Project'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 Project does not have a formal investment policy for interest rate risk.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2024, the Project’s investments were not rated.

Note 3: Deposits and Investments (Continued)

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

Although not part of the Indenture, included in restricted cash and cash equivalents are tenant security deposits of $661,995 as of June 30, 2024. As such, this amount is not included in the table below summarizing restricted cash and investments by fund.

Pursuant to the Indenture, the Project 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:

Fund / Account Name	As of June 30, 2024
Revenue fund	$ 1,049,813
Operating Reserve fund	662,108
Administrative Expenses fund	166,728
Excess Revenue fund	6,025,379
Extraordinary Expense fund	500,000
Project Acquisition fund	41,574
Capital Reserve fund	7,376,699
Temporary Operating fund	223,824
Senior Debt Service account	1,665,117
Senior Debt Service Reserve fund	4,162,500
Junior Debt Service account	1,236,407
Junior Debt Service Reserve fund	3,125,400
Subordinate Debt Service fund	200,894
Total	26,436,443

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.

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. As of June 30, 2024, the deposits on hand in the operating reserve fund met the operating reserve requirement of $662,108.

Note 3: Deposits and Investments (Continued)

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

Excess Revenue Fund
Excess revenue fund shall be applied first to the revenue fund to satisfy any insufficiency of payments required pursuant to flow of funds, and then to the redemption of bonds. On the first date upon which no bonds remain outstanding, any and all monies in the excess revenue fund shall be transferred by the Trustee to the project jurisdiction.

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 monies 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, 2024, the deposits on hand in the coverage reserve fund met the coverage reserve deposit requirement of $500,000.

Project Acquisition Fund
The project acquisition fund is used to pay the amounts required by the provision of the Indenture Agreement and make disbursements of amounts in accordance with a request of the project administrator for the purposes of paying a portion of the purchase price of the Project.

Capital Reserve Fund
The capital reserve 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 Authority.

Temporary Operating Fund
The temporary operating account fund shall be used only to fund the operating account pursuant to the Property Management Agreement and the remaining amount will be available to pay property taxes. Any refunds and amounts remaining as of January 1, 2022 shall be deposited into the Revenue Fund account and the Temporary Operating Account shall be closed.

Senior Debt Service Account
The senior debt service account is used to pay out on or before each interest payment date, for the 2021 A1 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.

Note 3: Deposits and Investments (Continued)

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, 2024, the balance on deposit in the senior debt service reserve fund met the requirement outlined in the trust indenture.

Junior Debt Service Account
The junior debt service account is used to pay out on or before each interest payment date, for the 2021 A2 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.

Junior Debt Service Reserve Fund
The junior debt service reserve fund is used to cure any deficiency in the junior debt service subaccount of the debt service fund. As of June 30, 2024, the balance on deposit in the junior debt service reserve fund met the requirement outlined in the trust indenture.

Subordinate Debt Service Account
The subordinate debt service account is used to fund any interest that is due and payable on the next ensuing interest payment on each series of outstanding subordinate bonds.

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 Project 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.

Note 4: Fair Value Measurements (Continued)

Information regarding assets at fair value on a recurring basis as of June 30, 2024 is as follows:

		Recurring Fair Value Measurements Using		
As of June 30, 2024	**Total Assets at Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Money market funds	$ 9,059,533	$ 9,059,533	$ -	$ -
Guaranteed investment contracts	17,376,910	-	17,376,910	-
Total	$ 26,436,443	$ 9,059,533	$ 17,376,910	$ -

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 fund*s -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 0.91% to 1.50%. 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.

Note 5: Capital Assets

The capital assets balance at June 30, 2024, consists of the following activity:

As of	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not depreciated:				
Land	$ 37,689,839	$ -	$ -	$ 37,689,839
Capital assets depreciable:				
Building and improvements	165,258,850	6,453,661	-	171,712,511
Furniture, fixtures, and equipment	249,999	14,010	-	264,009
Total depreciable capital assets	165,508,849	6,467,671	-	171,976,520
Less accumulated depreciation:				
Building and improvements	(10,265,965)	(6,077,668)	-	(16,343,633)
Furniture, fixtures, and equipment	(20,441)	(51,056)	-	(71,497)
Total accumulated depreciation	(10,286,406)	(6,128,724)	-	(16,415,130)
Total capital assets, depreciable (net)	155,222,443	338,947	-	155,561,390
Capital assets, net	$ 192,912,282	$ 338,947	$ -	$ 193,251,229

Depreciation expense for the year ended June 30, 2024 was $6,128,724.

Note 6: Bonds Payable

On August 19, 2021, the Agency issued Essential Housing Revenue Bonds Series 2021 A-1 (Senior Bonds) (Series 2021A-1 Bonds) in the amount of $138,750,000 and Essential Housing Revenue Bonds Series 2021 A-2 (Junior Bonds) (Series 2021A-2 Bonds) in the amount of $78,135,000, collectively, the Series 2021A Bonds. The proceeds of the Series 2021A Bonds were used for financing the cost of the acquisition of a multifamily rental housing facility and related improvements known as the Breakwater Apartments 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 $5,000,000 to Catalyst Housing Group LLC (Catalyst), a California limited liability company, in exchange for the sale and assignment of certain assets to the Agency, including its purchase rights to the Breakwater Apartments, a business plan and certain intellectual property created by Catalyst.

The bonds are summarized as follows:

Bonds	Original Amount	Interest Rate	Final Maturity Date	Balance Outstanding June 30, 2024
Essential Housing Revenue Bonds, Series 2021 A-1	$ 138,750,000	3.000 %	August 1, 2056	$ 138,750,000
Essential Housing Revenue Bonds, Series 2021 A-2	78,135,000	4.000 %	August 1, 2047	77,270,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	8.000 %	August 1, 2061	5,000,000

Activity for the bonds was as follows for the year ended June 30, 2024:

Bonds	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Essential Housing Revenue Bonds, Series 2021 A-1	$ 138,750,000	$ -	$ -	$ 138,750,000
Essential Housing Revenue Bonds, Series 2021 A-2	77,650,000	-	(380,000)	77,270,000
Subordinate Essential Housing Revenue Bonds, Series 2021B	5,000,000	-	-	5,000,000
Unamortized Bond Premium Series 2021 A Bonds	12,632,763	-	(470,263)	12,162,500
Total	$ 234,032,763	$ -	$ (850,263)	$ 233,182,500

Interest payments on the bonds are due semi-annually (February 1st and August 1st) commencing February 1, 2022. Principal payments are not to be made on either 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. $50,000 of the outstanding principal balance is classified as a current liability and the remaining $233,132,500 of outstanding principal is classified as a long-term liability as of June 30, 2024.

Note 6: Bonds Payable (Continued)

The bonds require the Project to maintain a DSCR, as defined in the agreement, of 1.10:1.00, measured on an annual basis. If the DSCR calculated is not equal to or greater than 1.10:1.00, 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.

The Agency's principal and interest payments are flexible based on cash flows from the Project. Based on management projections at the time of underwriting, the amortization schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 50,000	$ 7,687,900	$ 7,737,900
2026	280,000	7,683,900	7,963,900
2027	540,000	7,670,100	8,210,100
2028	825,000	7,645,700	8,470,700
2029	1,125,000	7,609,800	8,734,800
2030-2034	16,575,000	36,194,400	52,769,400
2035-2039	22,360,000	32,747,600	55,107,600
2040-2044	39,215,000	27,045,000	66,260,000
2045-2049	55,755,000	18,737,600	74,492,600
2050-2054	79,295,000	8,946,500	88,241,500
2055-2059	-	2,000,000	2,000,000
2060-2061	5,000,000	1,000,000	6,000,000
Total	$ 221,020,000	$ 164,968,500	$ 385,988,500

Note 6: Bonds Payable (Continued)

Long-term pledged revenues as of June 30, 2024 are as follows:

Type of Pledged Revenue	Fiscal Year Maturity Date	Pledged Revenue to Maturity	Debt Principal & Interest Paid During the Year Ended 2024	2024 Pledged Revenue Available
Net Rental Revenue:				
Essential Housing Revenue Bonds, Series 2021 A	2056	$ 365,988,500	$ 7,164,303	$ 7,694,669
Essential Housing Revenue Bonds, Series 2021 B	2061	20,000,000	400,000	400,000
Total		$ 385,988,500	$ 7,564,303	$ 8,094,669

Note 7: Related-Party Transactions

The Agency signed a Project Administration Agreement (PAA) with a third-party administrator, Catalyst, on August 1, 2021, for the Project 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, 2024, were $250,000. All project administration fees were paid by June 30, 2024, as such, there was no accrued expense at June 30, 2024.

The Agency also signed a Property Management Agreement (PMA) with a third-party property manager on August 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 2.00% of gross operating revenue or $17,300 per month. Property management fees and reimbursable expenses incurred for the year ended June 30, 2024 were $247,963 and $1,039,621. Accrued property management fees at June 30, 2024, were $21,808.

Under the terms of the bond indenture, the Project must pay the Agency an annual administrative fee of $150,000 payable each August 1, commencing August 1, 2022. Annual administrative fees accrued as of June 30, 2024 were $12,500.

Note 7: Related-Party Transactions (Continued)

The project is subject to a Public Benefit Agreement, which the Agency signed with the City of Huntington Beach, California (City), and is dated as of August 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 August 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, including the matters referred to below, 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 financial statements.

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 receivable is initially measured at the present value of the remaining lease fixed payments over the lease term, 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 receivable associated to these lease agreements comprise of only fixed payments.

The deferred inflow of resources is initially measured at the commencement of the lease term. This is equal to the amount of the lease receivable 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, 2024, the deferred inflow of resources was $683,442.

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

Note 9: Leases (Continued)

Maturities of lease receivables are as follows as of June 30, 2024:

	Total Lease Payments	Amounts Representing Interest	Present Value of Lease Payments
2025	$ 640,318	$ 3,703	$ 636,615
2026	2,557	20	2,537
Total	$ 642,875	$ 3,723	$ 639,152

APPENDIX C
OCCUPANCY REPORT

Income Restriction Category	Units	% of Total
Low Income (80% AMI)	137	34%
Median Income (100% AMI)	84	21%
Moderate Income (120% AMI)	71	18%
Non-Program	97	24%
Vacant*	11	3%
Grand Total	**400**	**100%**

*Vacant includes model units

Unit	AMI Designation
1	Non-Program
2	Median Income (100% AMI)
3	Median Income (100% AMI)
4	Median Income (100% AMI)
5	Median Income (100% AMI)
6	Median Income (100% AMI)
7	Low Income (80% AMI)
8	Non-Program
9	Low Income (80% AMI)
10	Low Income (80% AMI)
11	Moderate Income (120% AMI)
12	Non-Program
13	Moderate Income (120% AMI)
14	Low Income (80% AMI)
15	Low Income (80% AMI)
16	Low Income (80% AMI)
17	Low Income (80% AMI)
18	Moderate Income (120% AMI)
19	Low Income (80% AMI)
20	Low Income (80% AMI)
21	Moderate Income (120% AMI)
22	Non-Program
23	Non-Program
24	Low Income (80% AMI)
25	Moderate Income (120% AMI)
26	Moderate Income (120% AMI)
27	Non-Program
28	Moderate Income (120% AMI)
29	Low Income (80% AMI)
30	Median Income (100% AMI)
31	Non-Program

Unit	AMI Designation
32	Low Income (80% AMI)
33	Median Income (100% AMI)
34	Low Income (80% AMI)
35	Low Income (80% AMI)
36	Non-Program
37	Moderate Income (120% AMI)
38	Non-Program
39	Low Income (80% AMI)
40	Non-Program
41	Low Income (80% AMI)
42	Low Income (80% AMI)
43	Moderate Income (120% AMI)
44	Moderate Income (120% AMI)
45	Vacant
46	Moderate Income (120% AMI)
47	Low Income (80% AMI)
48	Non-Program
49	Moderate Income (120% AMI)
50	Low Income (80% AMI)
51	Median Income (100% AMI)
52	Vacant
53	Non-Program
54	Vacant
55	Low Income (80% AMI)
56	Non-Program
57	Non-Program
58	Moderate Income (120% AMI)
59	Non-Program
60	Non-Program
61	Low Income (80% AMI)
62	Median Income (100% AMI)
63	Non-Program
64	Low Income (80% AMI)
65	Moderate Income (120% AMI)
66	Low Income (80% AMI)
67	Median Income (100% AMI)
68	Median Income (100% AMI)
69	Moderate Income (120% AMI)
70	Non-Program
71	Median Income (100% AMI)
72	Non-Program

Unit	AMI Designation
73	Low Income (80% AMI)
74	Median Income (100% AMI)
75	Low Income (80% AMI)
76	Non-Program
77	Low Income (80% AMI)
78	Low Income (80% AMI)
79	Moderate Income (120% AMI)
80	Non-Program
81	Moderate Income (120% AMI)
82	Low Income (80% AMI)
83	Low Income (80% AMI)
84	Moderate Income (120% AMI)
85	Moderate Income (120% AMI)
86	Median Income (100% AMI)
87	Low Income (80% AMI)
88	Median Income (100% AMI)
89	Low Income (80% AMI)
90	Low Income (80% AMI)
91	Moderate Income (120% AMI)
92	Moderate Income (120% AMI)
93	Moderate Income (120% AMI)
94	Median Income (100% AMI)
95	Non-Program
96	Low Income (80% AMI)
97	Median Income (100% AMI)
98	Low Income (80% AMI)
99	Non-Program
100	Low Income (80% AMI)
101	Median Income (100% AMI)
102	Low Income (80% AMI)
103	Median Income (100% AMI)
104	Low Income (80% AMI)
105	Moderate Income (120% AMI)
106	Non-Program
107	Non-Program
108	Low Income (80% AMI)
109	Vacant
110	Non-Program
111	Non-Program
112	Non-Program
113	Non-Program

Unit	AMI Designation
114	Median Income (100% AMI)
115	Moderate Income (120% AMI)
116	Non-Program
117	Non-Program
118	Median Income (100% AMI)
119	Non-Program
120	Non-Program
121	Median Income (100% AMI)
122	Median Income (100% AMI)
123	Non-Program
124	Non-Program
125	Median Income (100% AMI)
126	Median Income (100% AMI)
127	Median Income (100% AMI)
128	Moderate Income (120% AMI)
129	Median Income (100% AMI)
130	Non-Program
131	Median Income (100% AMI)
132	Low Income (80% AMI)
133	Low Income (80% AMI)
134	Vacant
135	Moderate Income (120% AMI)
136	Low Income (80% AMI)
137	Median Income (100% AMI)
138	Non-Program
139	Non-Program
140	Median Income (100% AMI)
141	Non-Program
142	Vacant
143	Median Income (100% AMI)
144	Moderate Income (120% AMI)
145	Non-Program
146	Low Income (80% AMI)
147	Moderate Income (120% AMI)
148	Median Income (100% AMI)
149	Non-Program
150	Non-Program
151	Low Income (80% AMI)
152	Moderate Income (120% AMI)
153	Low Income (80% AMI)
154	Low Income (80% AMI)

Unit	AMI Designation
155	Low Income (80% AMI)
156	Low Income (80% AMI)
157	Low Income (80% AMI)
158	Non-Program
159	Non-Program
160	Median Income (100% AMI)
161	Median Income (100% AMI)
162	Low Income (80% AMI)
163	Non-Program
164	Low Income (80% AMI)
165	Low Income (80% AMI)
166	Median Income (100% AMI)
167	Median Income (100% AMI)
168	Non-Program
169	Moderate Income (120% AMI)
170	Non-Program
171	Moderate Income (120% AMI)
172	Low Income (80% AMI)
173	Median Income (100% AMI)
174	Moderate Income (120% AMI)
175	Low Income (80% AMI)
176	Moderate Income (120% AMI)
177	Low Income (80% AMI)
178	Median Income (100% AMI)
179	Median Income (100% AMI)
180	Median Income (100% AMI)
181	Vacant
182	Low Income (80% AMI)
183	Median Income (100% AMI)
184	Moderate Income (120% AMI)
185	Median Income (100% AMI)
186	Non-Program
187	Low Income (80% AMI)
188	Low Income (80% AMI)
189	Non-Program
190	Non-Program
191	Low Income (80% AMI)
192	Low Income (80% AMI)
193	Moderate Income (120% AMI)
194	Non-Program
195	Moderate Income (120% AMI)

Unit	AMI Designation
196	Low Income (80% AMI)
197	Low Income (80% AMI)
198	Median Income (100% AMI)
199	Non-Program
200	Low Income (80% AMI)
201	Non-Program
202	Low Income (80% AMI)
203	Low Income (80% AMI)
204	Low Income (80% AMI)
205	Non-Program
206	Non-Program
207	Low Income (80% AMI)
208	Non-Program
209	Low Income (80% AMI)
210	Median Income (100% AMI)
211	Low Income (80% AMI)
212	Low Income (80% AMI)
213	Non-Program
214	Non-Program
215	Low Income (80% AMI)
216	Median Income (100% AMI)
217	Vacant
218	Median Income (100% AMI)
219	Non-Program
220	Moderate Income (120% AMI)
221	Moderate Income (120% AMI)
222	Low Income (80% AMI)
223	Non-Program
224	Low Income (80% AMI)
225	Low Income (80% AMI)
226	Low Income (80% AMI)
227	Low Income (80% AMI)
228	Non-Program
229	Moderate Income (120% AMI)
230	Median Income (100% AMI)
231	Moderate Income (120% AMI)
232	Median Income (100% AMI)
233	Low Income (80% AMI)
234	Non-Program
235	Low Income (80% AMI)
236	Low Income (80% AMI)

Unit	AMI Designation
237	Low Income (80% AMI)
238	Moderate Income (120% AMI)
239	Median Income (100% AMI)
240	Median Income (100% AMI)
241	Low Income (80% AMI)
242	Non-Program
243	Non-Program
244	Low Income (80% AMI)
245	Median Income (100% AMI)
246	Vacant
247	Median Income (100% AMI)
248	Low Income (80% AMI)
249	Low Income (80% AMI)
250	Moderate Income (120% AMI)
251	Moderate Income (120% AMI)
252	Low Income (80% AMI)
253	Median Income (100% AMI)
254	Median Income (100% AMI)
255	Low Income (80% AMI)
256	Non-Program
257	Non-Program
258	Median Income (100% AMI)
259	Low Income (80% AMI)
260	Low Income (80% AMI)
261	Non-Program
262	Moderate Income (120% AMI)
263	Median Income (100% AMI)
264	Moderate Income (120% AMI)
265	Moderate Income (120% AMI)
266	Low Income (80% AMI)
267	Low Income (80% AMI)
268	Non-Program
269	Median Income (100% AMI)
270	Non-Program
271	Low Income (80% AMI)
272	Non-Program
273	Median Income (100% AMI)
274	Moderate Income (120% AMI)
275	Low Income (80% AMI)
276	Non-Program
277	Low Income (80% AMI)

Unit	AMI Designation
278	Non-Program
279	Low Income (80% AMI)
280	Median Income (100% AMI)
281	Low Income (80% AMI)
282	Low Income (80% AMI)
283	Low Income (80% AMI)
284	Median Income (100% AMI)
285	Low Income (80% AMI)
286	Moderate Income (120% AMI)
287	Moderate Income (120% AMI)
288	Non-Program
289	Low Income (80% AMI)
290	Low Income (80% AMI)
291	Non-Program
292	Moderate Income (120% AMI)
293	Moderate Income (120% AMI)
294	Low Income (80% AMI)
295	Non-Program
296	Median Income (100% AMI)
297	Median Income (100% AMI)
298	Low Income (80% AMI)
299	Non-Program
300	Non-Program
301	Low Income (80% AMI)
302	Median Income (100% AMI)
303	Median Income (100% AMI)
304	Low Income (80% AMI)
305	Low Income (80% AMI)
306	Low Income (80% AMI)
307	Non-Program
308	Low Income (80% AMI)
309	Low Income (80% AMI)
310	Low Income (80% AMI)
311	Low Income (80% AMI)
312	Median Income (100% AMI)
313	Low Income (80% AMI)
314	Low Income (80% AMI)
315	Non-Program
316	Vacant
317	Low Income (80% AMI)
318	Non-Program

Unit	AMI Designation
319	Median Income (100% AMI)
320	Moderate Income (120% AMI)
321	Moderate Income (120% AMI)
322	Median Income (100% AMI)
323	Low Income (80% AMI)
324	Low Income (80% AMI)
325	Low Income (80% AMI)
326	Non-Program
327	Vacant
328	Low Income (80% AMI)
329	Moderate Income (120% AMI)
330	Low Income (80% AMI)
331	Median Income (100% AMI)
332	Low Income (80% AMI)
333	Moderate Income (120% AMI)
334	Moderate Income (120% AMI)
335	Low Income (80% AMI)
336	Moderate Income (120% AMI)
337	Moderate Income (120% AMI)
338	Low Income (80% AMI)
339	Median Income (100% AMI)
340	Median Income (100% AMI)
341	Median Income (100% AMI)
342	Median Income (100% AMI)
343	Median Income (100% AMI)
344	Non-Program
345	Low Income (80% AMI)
346	Non-Program
347	Moderate Income (120% AMI)
348	Low Income (80% AMI)
349	Low Income (80% AMI)
350	Non-Program
351	Low Income (80% AMI)
352	Median Income (100% AMI)
353	Median Income (100% AMI)
354	Low Income (80% AMI)
355	Low Income (80% AMI)
356	Moderate Income (120% AMI)
357	Moderate Income (120% AMI)
358	Non-Program
359	Non-Program

Unit	AMI Designation
360	Moderate Income (120% AMI)
361	Non-Program
362	Median Income (100% AMI)
363	Median Income (100% AMI)
364	Non-Program
365	Low Income (80% AMI)
366	Moderate Income (120% AMI)
367	Non-Program
368	Non-Program
369	Median Income (100% AMI)
370	Non-Program
371	Low Income (80% AMI)
372	Moderate Income (120% AMI)
373	Median Income (100% AMI)
374	Low Income (80% AMI)
375	Moderate Income (120% AMI)
376	Non-Program
377	Low Income (80% AMI)
378	Moderate Income (120% AMI)
379	Moderate Income (120% AMI)
380	Moderate Income (120% AMI)
381	Median Income (100% AMI)
382	Low Income (80% AMI)
383	Non-Program
384	Low Income (80% AMI)
385	Moderate Income (120% AMI)
386	Low Income (80% AMI)
387	Non-Program
388	Median Income (100% AMI)
389	Non-Program
390	Median Income (100% AMI)
391	Median Income (100% AMI)
392	Non-Program
393	Moderate Income (120% AMI)
394	Non-Program
395	Median Income (100% AMI)
396	Low Income (80% AMI)
397	Low Income (80% AMI)
398	Moderate Income (120% AMI)
399	Low Income (80% AMI)
400	Low Income (80% AMI)

Unit	AMI Designation

In 2024, the Project Administrator has been investing in upgraded reporting infrastructure. With our new capabilities, we look forward to working with our stakeholders to implement enhancements in our reporting packages.

APPENDIX D
CERTIFICATE OF THE DISCLOSURE REPRESENTATIVE

I, John Stoecker, of the CMFA Special Finance Agency VII (the "Disclosure Representative") hereby certify that the Agency has observed and performed all of its covenants and agreements set forth in the Indenture and the other Bond Documents, and no Event of Default (as defined in the Bond Documents) has occurred or exists.

CMFA Special Finance Agency VII, as Disclosure Representative

By: John P. Stoecker