

**Golden State Finance  
Authority (GSFA)  
Executive Committee Meeting**



**Wednesday, November 13, 2019  
10:30 A.M.**

**1215 K Street, Suite 1650  
Sacramento CA 95814**

**Golden State Finance Authority (GSFA)  
Executive Committee Meeting  
1215 K Street, Suite 1650  
Sacramento, CA 95814**

**November 13, 2019 – 10:30 a.m.**

Executive Committee Members:

Supervisor Kevin Cann, Mariposa County  
Supervisor Bob Williams, Tehama County  
Supervisor Matt Kingsley, Inyo County  
Supervisor Daron McDaniel, Merced County  
Supervisor Stacy Corless, Mono County  
Supervisor Rex Bohn, Humboldt County

Supervisor Michael Kobseff, Siskiyou County  
Supervisor Aaron Albaugh, Lassen County  
Supervisor Diane Dillon, Napa County  
Supervisor Jack Garamendi, Calaveras County  
Supervisor Kuyler Crocker, Tulare County

**Agenda**

- I. Call to Order and Determination of Quorum**  
*Chair, Supervisor Kevin Cann, Mariposa County*
  
- II. Approval of Minutes of the October 16, 2019 Meeting** **Page 1**  
*(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)*
  
- III. Public Comment**  
*At this time any member of the public may address the Board. Speakers are asked to state their name for the record. Comments are usually limited to no more than 3 minutes per speaker.*
  
- IV. Quarterly Reports for GSFA** (Discussion and possible action relative to)  
*Lisa McCargar, Chief Financial Officer  
Milena De Melo, Controller*
  - a. GSFA Condensed Balance Sheet Report (September 30, 2019)**
  - b. GSFA Quarterly Investment Report (September 30, 2019)** **Page 5**
  - c. GSFA Quarterly Budget Report (September 30, 2019)** **Page 9**
  
- V. Business and Administrative Matters** (Discussion and possible action relative to)  
*Lisa McCargar, Chief Financial Officer  
Craig Ferguson, Deputy Director*
  - a. GSFA 2020 Proposed Budget – ACTION** **Page 13**
  
- VI. Program Updates** (Discussion and possible action relative to)  
*Craig Ferguson, Deputy Director  
Barbara Hayes, RCRC Chief Economic Development Officer*

## **VII. Adjournment**

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling (916) 447-4806 at least 48 hours before the meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment, please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Executive Committee of the Golden State Finance Authority was duly posted at its offices, 1215 K Street, Suite 1650, Sacramento, California, 72 hours prior to the meeting.

**Golden State Finance Authority (GSFA)  
Executive Committee Meeting  
1215 K Street, Suite 1650 Board Room  
Sacramento, CA 95814  
(916) 447-4806**

**October 16, 2019 – 11:00 a.m.**

**Executive Committee Members:**

Supervisor Kevin Cann, Mariposa County  
Supervisor Bob Williams, Tehama County  
Supervisor Matt Kingsley, Inyo County  
Supervisor Daron McDaniel, Merced County  
Supervisor Stacy Corless, Mono County  
Supervisor Rex Bohn, Humboldt County

Supervisor Michael Kobseff, Siskiyou County  
Supervisor Aaron Albaugh, Lassen County  
Supervisor Diane Dillon, Napa County  
Supervisor Jack Garamendi, Calaveras County  
Supervisor Kuyler Crocker, Tulare County

**Minutes**

**Call to Order and Determination of Quorum**

Chair, Supervisor Kevin Cann, Mariposa County, called the meeting of the Golden State Finance Authority Executive Committee to order at 1:03 p.m. A quorum was determined at that time; those present were as follows:

<b><u>Supervisors in Attendance</u></b>	<b><u>County</u></b>
Kevin Cann	Mariposa
Matt Kingsley	Inyo
Daron McDaniel	Merced
Stacy Corless	Mono
Michael Kobseff	Siskiyou
Aaron Albaugh	Lassen
Diane Dillon	Napa
Jack Garamendi	Calaveras

**Absent Members**

Bob Williams	Tehama
Rex Bohn	Humboldt
Kuyler Crocker	Tulare

**Others in Attendance**

Supervisor Doug Teeter, Butte County  
Greg Norton, Executive Director  
Craig Ferguson, Deputy Director  
Terrance Rodgers, RCRC Economic Development Officer  
Milena DeMelo, RCRC Controller  
Lisa McCargar, RCRC Chief Financial Officer  
Barbara Hayes, RCRC Chief Economic Development Officer  
Arthur Wylene, RCRC General Counsel

Sarah Bolnik, RCRC Economic Development Specialist

**Approval of Minutes of the July 10, 2019 Meeting**

*(Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise)*

**Supervisor Diane Dillon, Napa County, motioned to approve the minutes of the July 10, 2019 GSFA Executive Committee Meeting. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion passed.**

**Public Comment**

None

**GSFA Lake County Disaster Relief Extension**

Lisa McCargar, Chief Financial Officer, discussed with the GSFA Executive Committee the Lake County Disaster Assistance Grants that were awarded to Lake County in 2016 after the Valley Fire. Ms. McCargar stated that due to lack of resources, \$350,000 in funding remains unspent and is greatly needed by the residents of Lake County. It is suggested that a one-year extension be added on to the funding, to help rebuild the area.

**Recommendation**

It is recommended that the GSFA Executive Committee consider a one-year extension for of the remaining \$350,000 unspent disaster assistance grant funds and, if approved, direct GSFA to prepare and present a revised agreement to the GSFA Board of Directors for approval.

**Supervisor Diane Dillon, Napa County, motioned to approve the recommendations above. Supervisor Michael Kobseff, Siskiyou County, seconded the motion. Motion unanimously passed.**

**GSFA Loan to Golden State Natural Resources**

Greg Norton, Executive Director, reminded the GSFA Executive Committee of the nonprofit entity recently formed under GSFA names Golden State Natural Resources, Inc. Mr. Norton reminded the Executive Committee that when the entity was created that there would potentially be a need to issue a loan to the cover the predevelopment activities for this program. Mr. Norton stated that the 2019 GSFA budget included over \$800,000 for Economic Development related activities. Much of this money has been used to hire company branding, environmental studies, feasibility studies, and risk assessments. Mr. Norton discussed a variety of additional expenses that will arise as the project gets past the predevelopment phase. The Executive Committee discussed at length the pros and cons of the loan.

**Recommendation:**

It is recommended that the GSFA Executive Committee review the loan proposal to GSNR and authorize GSFA to present the finalized loan proposal to the full GSFA Board for approval at the December 11, 2019 meeting.

**Supervisor Michael Kobseff, Siskiyou County, motioned to approve the recommendations listed above. Supervisor Jack Garamendi, Calaveras County, seconded the motion. Motion unanimously passed.**

**Program Updates**

Craig Ferguson provided an update on the current GSFA programs to the Executive Committee. Mr. Ferguson also discussed, at the recommendation of Supervisor Diane Dillon, Napa County, that GSFA send a letter to the State Treasurer asking the state to consider divvying up the funds that are awarded to the State Housing Agency annually. Given GSFA's status as a JPA, funds should be provided for their use as well. This would likely require new legislation.

**Economic Development Update**

Barbara Hayes, Chief Economic Development Officer, provided an update on the current economic development projects and activities that are underway, to the Executive Committee. Ms. Hayes discussed the CA Forward listening tour, which is currently underway, titled *Regions Rise*. Ms. Hayes discussed the CA Fwd. Economic Summit and explained the Role that the team will have in the Elevate Rural California, breakout session, and noted that Greg Norton will take the stage during the conference to discuss the forest resiliency project. A draft of the Economic Summit white paper will be circulated in the coming weeks to those interested.

**Adjournment**

Chair, Supervisor Kevin Cann, Mariposa County, adjourned the meeting of the GSFA Executive Committee at 1:51 p.m.





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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
**Date:** November 6, 2019  
**Re:** GSFA Quarterly Investment Report (September 30, 2019)

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**Summary**

In accordance with GSFA's investment policy, we are providing the GSFA investment report. This report provides a summary of investment transactions since last reported as of May 31, 2019 to September 30, 2019. The investment report also provides historical information to include a recap of activity since December 31, 2018.

Investment returns by investment type and a comparison to the 90 day Treasury Rate for the most recent period of May 31, 2019 to September 30, 2019 have been included.

The CalTRUST yields are the funds' reported September 30<sup>th</sup> yields. The LAIF return is the fund's September 30<sup>th</sup> apportionment rate.

**Attachment**

- GSFA Investment Report as of September 30, 2019





**GOLDEN STATE FINANCE AUTHORITY**  
**Investment Report**  
**As of September 30, 2019**

	Total	CalTRUST Short-Term	CalTRUST Medium-Term	LAIF
Balance 12/31/2018 *	\$ 20,113,740	\$ 7,683,338	\$ 12,239,519	\$ 190,883
Additions / (Withdrawals)	-	-	-	
Interest (includes accrued)	117,552	47,944	68,411	1,197
Capital Gain/(Loss)	109,607	23,098	86,509	
Balance 3/31/2019 *	\$ 20,340,899	\$ 7,754,380	\$ 12,394,439	\$ 192,080
Additions / (Withdrawals)	-	-	-	
Interest (includes accrued)	85,922	35,569	50,353	
Capital Gain/(Loss)	49,681	-	49,681	
Balance 5/31/2019 *	\$ 20,476,502	\$ 7,789,949	\$ 12,494,473	\$ 192,080
Additions / (Withdrawals)	48,000,000	-	-	48,000,000
Interest (includes accrued)	396,352	63,638	92,248	240,466
Capital Gain/(Loss)	70,065	7,784	62,281	
Balance 9/30/2019 *	\$ 68,942,919	\$ 7,861,371	\$ 12,649,002	\$ 48,432,546

Yield:	Reported as of September 30, 2019		
	Short Term	Mid Term	LAIF
Annualized One Year	2.53%	2.06%	2.45%
Average Maturity (days)	354	763	185
90 Day Treasury Bill Rate	1.88%		

All current cash investments are held in either California Treasurer's Local Agency Investment Fund (LAIF) or CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the LAIF fund and the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

No members of the Investment Committee have any conflict of interest with any current investment firms.

\* Amounts shown include accrued interest at the end of the period.

Purpose of transactions in excess of \$1 million:

-Transfer of funds from Brokerage accounts not currently needed for program operations. Transfers projected to provide improved earnings potential.





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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
**Date:** November 6, 2019  
**Re:** GSFA Quarterly Budget Report (September 30, 2019)

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**Summary**

The Statement of Revenues and Expenses for GSFA provides a budget to actual comparison for the nine months ended September 30, 2019.

**Attachment**

- GSFA Statement of Revenues and Expenses, Budget vs. Actual, for the Nine Months Ended September 30, 2019.



**GOLDEN STATE FINANCE AUTHORITY**  
**2019 BUDGET vs. ACTUAL**  
**September 30, 2019**

	2019 Annual Budget	Nine Months Ended September 30, 2019 Budget	Nine Months Ended September 30, 2019 Actual	Variance Favorable/ (Unfavorable)	Percent Favorable/ (Unfavorable)
<b>Income:</b>					
Housing Program Revenue	\$25,500,000	\$ 19,125,000	\$ 6,624,114	\$ (12,500,886)	-65.36%
Energy Program Revenue	851,500	638,622	600,712	(37,910)	-5.94%
Grant Reimbursed Costs	250,000	187,497	163,742	(23,755)	-12.67%
Interest and Dividend	600,000	450,000	1,030,870	580,870	129.08%
Capital Gains / (Losses)	20,000	15,003	229,354	214,351	1428.72%
Ongoing Issuer Fees	80,000	60,003	61,350	1,347	2.24%
2nd Mortgage Interest	300,000	225,000	149,744	(75,256)	-33.45%
Miscellaneous Income	-	-	1,134	1,134	100.00%
<b>Total Income</b>	<b>\$27,601,500</b>	<b>\$ 20,701,125</b>	<b>\$ 8,861,020</b>	<b>\$ (11,840,105)</b>	<b>-57.20%</b>
<b>Expenditures:</b>					
Accounting & Auditing	\$ 34,000	\$ 25,497	\$ 34,053	\$ (8,556)	-33.56%
Bank Fees	1,000	747	269	478	63.99%
Business Dev & Expansion	100,000	74,997	100,126	(25,129)	-33.51%
CDLAC fees	100,000	74,997	1,200	73,797	98.40%
Custodian/Trustee	30,000	22,500	-	22,500	100.00%
Consultants	811,000	608,247	432,126	176,121	28.96%
Contract Performance Fee	810,000	607,500	-	607,500	100.00%
Dues, Fees & Subscriptions	20,000	15,003	10,390	4,613	30.75%
Grant Cost	250,000	187,497	163,742	23,755	12.67%
Grant Fund - California Disaster Assistance	-	-	963,678	(963,678)	100.00%
Insurance	38,000	28,503	30,171	(1,668)	-5.85%
Legal Services	200,000	150,003	106,462	43,541	29.03%
Loan Losses	80,000	60,003	71,119	(11,116)	-18.53%
Miscellaneous	-	-	4,928	(4,928)	100.00%
Energy Servicing Programs	245,000	183,753	177,100	6,653	3.62%
Gift Program (DPA)	22,000,000	16,499,997	4,194,631	12,305,366	74.58%
Pipeline Services	180,000	135,000	65,000	70,000	51.85%
DPA Program Management	550,000	412,497	114,385	298,112	72.27%
Postage	4,000	2,997	3,018	(21)	-0.70%
Printing and Duplication	1,000	747	621	126	16.87%
Promotion and Marketing	25,000	18,747	1,403	17,344	92.52%
Rent	93,500	70,128	66,426	3,702	5.28%
Contract Support Services	4,908,000	3,681,000	3,681,000	-	0.00%
Sponsorships	100,000	74,997	50,500	24,497	32.66%
Board Member Travel & Reimbs	15,000	11,250	-	11,250	100.00%
Travel	40,000	29,997	23,079	6,918	23.06%
<b>Total Expenditures</b>	<b>\$30,635,500</b>	<b>\$ 22,976,604</b>	<b>\$ 10,295,427</b>	<b>\$ 12,681,177</b>	<b>55.19%</b>
<b>Net Revenues Over Expenditures</b>	<b>\$ (3,034,000)</b>	<b>\$ (2,275,479)</b>	<b>\$ (1,434,407)</b>	<b>\$ 841,072</b>	<b>-36.96%</b>





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**To:** GSFA Executive Committee  
**From:** Lisa McCargar, Chief Financial Officer  
Craig Ferguson, Deputy Director  
**Date:** November 6, 2019  
**Re:** GSFA 2020 Proposed Budget - **ACTION**

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The proposed 2020 Golden State Finance Authority (GSFA) Operating Budget constitutes our continued commitment to the core functions of providing affordable housing, energy retrofit, economic development and infrastructure programs. This proposed budget represents a year of continued planned investment for the organization and is representative of GSFA's continued effort to seek new opportunities for member counties in line with GSFA's purposes.

The following sections describe in more detail the highlights of the attached proposed 2020 Budget, and the "**Key Differences Between 2020 and 2019 Budgets**" section describes the significant changes from 2019.

### **2020 Proposed GSFA Budget Summary**

The proposed 2020 GSFA Budget (Attachment A) includes total revenues of \$14,495,250 and total expenditures of \$14,111,800 and results in net revenues over expenditures of \$383,450. The primary sources of revenue and expenditures are described below.

### **2020 Proposed Revenue Highlights**

Proposed revenues are primarily derived from GSFA's housing and energy programs. In addition, interest income from second mortgage portfolio earnings and interest and dividend earnings from portfolio investments provide proposed sources of revenue.

The proposed 2020 GSFA Budgeted Revenue of \$14,495,250 includes:

- Housing program revenue which remains the primary source of GSFA revenues, are expected to generate \$12,538,750 in 2020.
- Revenues from energy financing programs are estimated to be \$600,000.



- Energy program loan servicing revenue from the prior American Recovery and Reinvestment Act (ARRA) program. GSFA cost reimbursements from this grant are estimated to be \$200,000 for 2020.
- The GSFA second mortgage portfolio which is projected to generate interest income of \$200,000.
- Interest earnings from investments projected at \$850,000.

### **2020 Proposed Expenditure Highlights**

The proposed 2020 GSFA Expenditure Budget is designed to provide the resources necessary to pursue and implement housing, energy programs and services, economic development and infrastructure programs. The proposed 2020 Expenditure Budget totals \$14,111,800. Primary expenditures are for housing program down payment assistance (DPA), contract support services payments, estimated contract performance fees to RCRC and program management fees. In addition, the 2020 Expenditure Budget demonstrates GSFA's plan to continue to pursue rural economic development and infrastructure financing opportunities for member counties, including the escalation and expansion of the forest resiliency program.

The key proposed 2020 GSFA expenditures include (significant differences from 2019 to 2020 are described under "Key Differences Between 2020 and 2019 Budgets" section):

- Housing program DPA to homebuyers of \$4.0 million and associated program management and pipeline services fees totaling \$1.1 million.
- Contract support services payments to RCRC in the amount of \$5,548,000. The proposed lump sum contract services and estimated performance fee amount for RCRC services includes a prorated amount of the salaries for RCRC personnel who provide services to the JPA through the contract for services with RCRC, including those of the President/CEO, Chief Financial Officer and Vice President of RCRC. The proposed contract services amount and performance fee and the underlying compensation for RCRC personnel that are included in the proposed budget will be approved by the RCRC Board of Directors.
- The proposed budget includes a lump sum contract performance fee of \$1,629,000. Each year, the contract calls for the GSFA Board to consider and approve this performance fee as part of its budgeting process.
- Energy servicing of \$380,000 includes contract payments to National Homebuyers Fund, Inc. for their servicing and managing of two energy-related programs including servicing loans associated with the ARRA program and managing the energy retrofit program. These fees are detailed in the service contract between GSFA and NHF as approved by the respective Boards.

- \$415,000 for consultants, including costs associated with increased economic development activities.
- \$200,000 for business development and expansion, \$200,000 for legal services, and \$100,000 for sponsorships.

### **Key Differences between the 2020 and 2019 Budgets**

The proposed 2020 GSFA Operating Revenue Budget is \$14,495,250, a decrease of \$13,106,250 (-47.5%). The proposed 2020 expenditures budget for GSFA of \$14,111,800 represents a decrease of \$16,523,700 (-53.9%) from the 2019 approved budget. Following is a summary of the key differences between the proposed 2020 and the 2019 approved budgets:

- **Housing Program Revenue** – A decrease of \$12,961,250 (-50.8%) of revenue resulting from decreased lender activity in GSFA's down payment assistance program, impacted by market conditions and interest rates. Although revenue is projected to decline, the components of revenue will vary and volume is expected to improve (as described in **Other Related Matters** below).
- **Energy Program Revenue** – A decrease of \$251,500 (-29.5%) resulting from changing market and additional underwriting conditions for the underlying energy loan product.
- **Interest and Dividend Income** – An increase of \$250,000 (41.7%) associated with earnings on the entity's investments, including movement of funds to higher-earning interest rate accounts.
- **Housing Program DPA (Expense) to Homebuyers**– A decrease of \$18,000,000 (-81.8%) in program DPA due to decreased program activity projections. Program management fees have also decreased in line with market rates.
- **DPA Program Management (Expense)**– An increase of \$450,000 (81.8%) in program management expenses to GSFA. This fee is based on underlying program volume.
- **Contract Support Service Expenses** – An increase of \$640,000 (13.0%) in current fees due to an increase in direct and indirect costs in providing services. The most significant impact results from expenditures associated with the growing economic development initiatives, specifically the forest resiliency program, including human resources support and the related benefits.
- **Contract Performance Fee** – A increase of \$819,000 (101.1%) - a predetermined and contracted formula based on housing and energy program activity levels. Although housing revenue is projected to decline, the net revenue on which

performance is calculated is expected to improve, resulting in an increase in the performance fee.

- **Energy Servicing** – A decrease of \$115,000 (-23.2%) due to decreased program activity and declining loan portfolios requiring servicing as the portfolio matures and number of outstanding loans decline.
- **Consultants** – A decrease of \$396,000 (-48.8%). In prior year, significant feasibility and exploratory costs were incurred. In 2020, such proposed costs are not contained in the GSFA expense budget.
- **Business Development and Expansion** – An increase of \$100,000 (100%) from 2019 due to increased industry outreach related to housing programs.
- **Legal Fees** – Legal fees have been budgeted to remain flat compared to 2019. Most projected 2020 legal fees are related to economic development efforts.
- **Travel**– An increase of \$65,000 (162.5%) in travel due to reimbursement for increased efforts related to economic development and forest resiliency efforts in line with the organization’s expanding mission.

### **Budgeted Net Revenue**

The proposed budget for 2020 will result in net revenues over expenditures of \$383,450. The budgeted expenditures include noncash items for projected loan losses of \$80,000 and unrealized gains of \$20,000. Therefore, the proposed 2020 budget is projected to generate net cash resources of \$443,450.

### **Other Related Matters**

Due to the volatility and pace of the programs and markets, request authority for the Executive Director to make necessary business decisions up to \$500,000 per decision outside of the approved operating budget. Also request the GSFA Executive Director be granted with the authority to proceed with necessary operating decisions due to changes in the market, economy or changing transactional requirements to avoid unnecessary delay and provide the necessary flexibility to effectively and timely implement and modify programs. Such expenditure and operational decisions are to be made in consultation with the GSFA Deputy Director, the GSFA Chair and the GSFA Vice Chair and are to be reported back to the Board with subsequent ratification as necessary.

During 2019, the GSFA Board of Directors approved utilization of up to \$10 million of resources as an investment into a potential housing program. While such an investment would use cash, it would create an offsetting asset in the form of notes receivable.

### **Recommendations**

It is recommended that the GSFA Executive Committee approve the following recommendations and direct the GSFA Executive Director to make the same recommendations to the GSFA Board of Directors.

1. Approve the attached proposed 2020 GSFA Operating Budget.
2. Grant the GSFA Executive Director the authority to make necessary business decisions and utilize up to \$500,000 per decision outside of the approved operating budget when necessary. Such decisions will be made in consultation with the GSFA Deputy Director, the GSFA Board Chair and Vice Chair and reported back to the GSFA Board at the next available Board meeting.
3. Grant the GSFA Executive Director the authority to proceed with necessary operating decisions due to changes in opportunities, the market, the economy or changing transactional requirements to provide necessary flexibility to effectively and timely implement programs. Such decisions to be made in consultation with the GSFA Deputy Director, GSFA Chair and GSFA Vice Chair with subsequent ratification by the Board of Directors as necessary.
4. Consider and approve the lump sum contract service fee to RCRC in the amount of \$5,548,000 which includes a prorated amount of the salaries for RCRC personnel who provide services to the JPA through the contract for services with RCRC, including those of the RCRC President/CEO, RCRC Chief Financial Officer and RCRC Vice President, and estimated performance fee in the amount of \$1,629,000.

**Attachment**

- 2020 GSFA Operating Budget



**GOLDEN STATE FINANCE AUTHORITY**  
**FY 2020 BUDGET**  
**For the Year Ended December 31, 2020**

<b>Income:</b>	<b>2020 Budget</b>	<b>2019 Budget</b>	<b>Change Increase / (Decrease)</b>
Housing Program Revenue	\$ 12,538,750	\$ 25,500,000	\$ (12,961,250)
Energy Program Revenue	600,000	851,500	(251,500)
Grant Reimbursed Costs	200,000	250,000	(50,000)
Interest and Dividend	850,000	600,000	250,000
Capital Gains / (Losses)	20,000	20,000	-
Ongoing Issuer Fees	86,500	80,000	6,500
2nd Mortgage Interest	200,000	300,000	(100,000)
<b>Total Income</b>	<b>\$ 14,495,250</b>	<b>\$ 27,601,500</b>	<b>\$ (13,106,250)</b>
<b>Expenditures:</b>			
Accounting & Auditing	\$ 40,000	\$ 34,000	\$ 6,000
Bank Fees	1,000	1,000	-
Business Development and Expansion	200,000	100,000	100,000
CDLAC fees	100,000	100,000	-
Custodian/Trustee	30,000	30,000	-
Consultants	415,000	811,000	(396,000)
Contract Performance Fee	1,629,000	810,000	819,000
Dues, Fees & Subscriptions	20,000	20,000	-
Energy Servicing	380,000	495,000	(115,000)
Insurance	41,000	38,000	3,000
Legal Services	200,000	200,000	-
Loan Losses	80,000	80,000	-
Miscellaneous	200	-	200
Gift Program (DPA)	4,000,000	22,000,000	(18,000,000)
Pipeline Services	100,000	180,000	(80,000)
DPA Program Management	1,000,000	550,000	450,000
Postage	4,000	4,000	-
Printing and Duplication	1,000	1,000	-
Promotion and Marketing	-	25,000	(25,000)
Rent	102,600	93,500	9,100
Contract Support Services	5,548,000	4,908,000	640,000
Sponsorships	100,000	100,000	-
Board Member Travel and Reimbursements	15,000	15,000	-
Travel	105,000	40,000	65,000
<b>Total Expenditures</b>	<b>\$ 14,111,800</b>	<b>\$ 30,635,500</b>	<b>\$ (16,523,700)</b>
<b>Net Revenues Over Expenditures</b>	<b>\$ 383,450</b>	<b>\$ (3,034,000)</b>	<b>\$ 3,417,450</b>
<b>Noncash Adjustments:</b>			
Capital Gains	\$ (20,000)	\$ (20,000)	-
Loan Losses	\$ 80,000	\$ 80,000	-
<b>Projected net cash flow</b>	<b>\$ 443,450</b>	<b>\$ (2,974,000)</b>	<b>\$ 3,417,450</b>







