

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/12/2020

Staff Report No. 20-446

TO: Financing Corporation Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: FY 2019-20 Internal Fourth Quarter Financial Statements

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the Financial Statements for the AC Transit Financing Corporation for the Fourth Quarter Ended June 30, 2020.

BUDGETARY/FISCAL IMPACT:

Overall, accrued interest on the Certificates of Participation (COPs) during the fiscal year ended June 30, 2020 was \$474,832 which was \$199,511 lower than that of the prior fiscal year and consistent with the amortization schedules. The accrued interest does not equal the interest payment due to the timing of accruals and actual cash payment of the interest expense.

BACKGROUND/RATIONALE:

The Financing Corporation was created to provide financing to the Alameda-Contra Costa Transit District. The Board receives quarterly and annual reports on the Financing Corporation financial results. The financial statements reflect the current Certificate of Participation financing as follows:

Series 2009 secured financing for the purchase of the 66th Avenue property and has scheduled payments to August 2034. Fiscal year to date principal payments were \$485,000 and fiscal year to date interest payments were \$287,420.

In December, 2019, the District issued Refunding Certificates of Participation Series 2019 (2019 COPS). The proceeds from the issuance of the \$11.66 million were used to refund and retire the 2009A COPS. In connection with this transaction, the District incurred a deferred loss on refunding that is reported as a deferred outflow of resources in the amount of \$583,000 which will be recognized as a component of interest expense over the remaining life of the debt. Principle payments on these 2019 Refunding COPS were deferred until August, 2022, however, fiscal year to date interest payments and accruals were \$189,062.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

An alternative analysis does not apply to this report.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None

ATTACHMENTS:

1. AC Transit District Financing Corporation Financial Statements for the fourth quarter ended June 30, 2020

Prepared by:

Kenneth Myers, Finance Administrator

Approved/Reviewed by:

Claudia L. Allen, Chief Financial Officer

Ralph Martini, Controller

Michael A. Hursh, General Manager