

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

---

**MEETING DATE:** 2/24/2021

**Staff Report No. 21-156**

---

**TO:** Financing Corporation Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Financial Statements for the Second Quarter Ended December 31, 2020

### BRIEFING ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving the Financial Statements for the AC Transit Financing Corporation for the Second Quarter Ended December 31, 2020.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency  
Initiative - Financial Efficiency and Revenue Maximization

The Financing Corporation provides the means for the District to participate in common longer-term Government Debt instruments to finance capital activities where grant funding sources may not be available.

#### **BUDGETARY/FISCAL IMPACT:**

Consistent with the amortization tables, accrued interest on the 2019 Refunding Certificates of Participation (COPS) for fiscal year to date December 31, 2020 was \$170,212, which was \$164,310 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 assistance to the Alameda-Contra Costa Transit District. The Board receives quarterly and annual reports on the Financing Corporation's financial results. The financial statements reflect the remaining Certificates of Participation financing as follows:

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. Principal payments on these 2019 Refunding COPS were deferred until

August 2022, however, fiscal year to date interest payments and accruals were \$170,212.

**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:**

SR 20-442 AC Transit District Financing Corporation Statements for the 1<sup>st</sup> Quarter ending September 30, 2020.

**ATTACHMENTS:**

1. AC Transit District Financing Corporation Financial Statements for the 2<sup>nd</sup> Quarter ended December 31, 2020

**Prepared by:**

Ken Myers, Finance Administrator

**Approved/Reviewed by:**

Chris Andrichak, Acting Chief Financial Officer

Ralph Martini, Controller