



**NOTICE OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
FINANCE COMMITTEE OF THE BOARD OF DIRECTORS**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of **THE INDUSTRIAL DEVELOPMENT OF THE CITY OF PHOENIX, ARIZONA, FINANCE COMMITTEE OF THE BOARD OF DIRECTORS**, and to the general public, that **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, FINANCE COMMITTEE OF THE BOARD OF DIRECTORS** will hold a meeting open to the public on **Thursday, August 17, 2017 at 1:00 PM**, located at the **Calvin C. Goode Municipal Building, 251 W. Washington Street, 9th Floor, Conference Room 910, Phoenix, Arizona.**

One or more Committee Members may participate via teleconference.

The agenda for the meeting is as follows:

Call to Order

1. **Approval of Meeting Minutes.** April 27, 2017 Finance Committee.
2. **Financial Audit for June 30, 2017.** Presentation and discussion regarding the Phoenix IDA's Financial Audit.
3. **Financial Statements for Period ending June 30, 2017.** Presentation, discussion, and possible action to approve the Phoenix IDA's financial statements for the period ending June 30, 2017.
4. **Operating Budget Adjustment for Fiscal Year 2017-2018.** Presentation, discussion and possible action to approve revisions to the Operating Budget for Fiscal Year 2017–2018.
5. **Call to the Public.** Comments will be limited to two minutes.

Adjournment

For reasonable accommodations, call Lydia Lee at Voice/602-534-9655, or TTY/602-534-5500, as early as possible to coordinate needed arrangements.

Date Posted: August 15, 2017

Item 1

**MINUTES OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
THE FINANCE COMMITTEE OF THE BOARD OF DIRECTORS**

April 27, 2017

A public meeting of the Finance Committee of the Board of Directors of The Industrial Development Authority of the City of Phoenix, Arizona (the “Phoenix IDA”) was convened on Thursday, April 27, 2017 at 12:30 p.m., at Phoenix City Hall, 200 W. Washington Street, 19th Floor, Conference Room 19W, Phoenix, Arizona.

Board Members present:

Mr. David Lujan (*telephonic*)
Ms. Nicole Ong Colyer
Mr. Lawrence Robinson (*telephonic*)

Board Members absent:

Also present for all or portions of the meeting were:

Mr. James Barham, Phoenix IDA
Mr. Murray Boess, Phoenix IDA (*telephonic*)
Ms. Sarah Cline, Phoenix IDA
Ms. Lydia Lee, Phoenix IDA
Mr. Juan Salgado, Phoenix IDA

Any member of the public that was present during the meeting was able to hear all discussions and actions taken by Board Members that were present, in person and over the phone, via a teleconferencing phone system.

Director Lujan called the Finance Committee meeting to order at 12:39 p.m. A quorum was noted.

ITEM 1: Approval of Meeting Minutes

Meeting minutes for the January 25, 2017 Finance Committee regular session were presented for approval. Director Ong Colyer moved to approve the minutes. Director Robinson seconded the motion. **Motion carried unanimously.**

ITEM 2: Financial Statements for Period Ending March 31, 2017

Mr. Salgado introduced the item and presented the financial statements highlighting the fixed assets, bond redemptions, and residential mortgage fees, as reflected in the Phoenix IDA’s records for this meeting which are available upon request.

Director Ong Colyer moved to approve the Financial Statements for the period ending March 31, 2017, and authorize the Executive Director to present the same to the Board for ratification. Director Robinson seconded the motion. **Motion carried unanimously.**

ITEM 3: Operating Budget for Fiscal Year 2017-2018

Mr. Salgado introduced the item and briefed the Committee on the recommended operating budget for fiscal year 2017-2018 including background information for the benefit of new Committee members, as reflected in the Phoenix IDA's records for this meeting which are available upon request. Discussion ensued.

Director Ong Colyer moved to approve the Operating Budget for fiscal year 2017-2018 as presented, subject to revisions recommended by the Executive Director and Treasurer, to be presented to the Board for ratification. Director Robinson seconded the motion. **Motion carried unanimously.**

ITEM 4: Call to the Public

Director Lujan made a call to the public. There were no comments.

With no further business to come before the Finance Committee, being duly moved and seconded, the Finance Committee meeting was adjourned at 1:31 p.m.

Item 3

MEMORANDUM

DATE: August 17, 2017
TO: Members, Finance Committee
FROM: Juan Salgado, Executive Director
SUBJECT: Draft – Financial Statements for Period ending – June 30, 2017

Attached are the draft financials for June 2017 for your review. The notes below are provided to supplement the information contained in the financial statements, with new notes highlighted below in **yellow**. Other notations on the draft financials, shown in **blue**, cross-reference the summary amount to the page number where additional detail is provided.

- I. Page 1 – Fixed Assets, balance increased by \$356,209 from cost basis to 2015 appraised value as of fiscal year end June 30, 2016, as required under GASB 72.
- II. Page 1 – Due from Related Company, balance increased by \$826,271 from cost basis to 2017 appraised value as of fiscal year end June 30, 2017, as required under GASB 72.
- III. Page 1 – Accrued Expenses, approved salaries and related expenses, as well as Community Development Fund allocations not yet awarded, incurred as of June 30, 2017, but not yet paid.
- IV. Page 3 – Bond Redemption, revenue from redemption of last two outstanding single family bonds, subseries 2007, resulting in no Single Family Issuer Fees after August 2016.
- V. Page 3 – User Assessment Fees, impacted by one-time Issuer Assessment Fees received in July and October 2016.
- VI. Page 3 – Home in Five DPA Fees, higher than expected loan volume in Home in Five Advantage Program resulting in increased revenues for the fiscal year.
- VII. Page 5 – Community Development Fund Awards, \$313,000 in Round 3 ACF Awards, \$100,000 for FY 2018 accrual for CodePHX.
- VIII. Page 5 – Bad Debt Expense, issuer fees deemed uncollectible from Brighter Choice, Vieste, and Yuma Assisted Living bond issues.
- IX. Page 14 – Allocated Funds, increases approved by the Board for FY 2018 shown in totals.

Total operating expenses through June 2017 were below budgeted expense levels. Revenues for the year to date exceeded budgeted revenues, primarily due to one-time Issuer Assessment Fees received in July and October 2016 and higher than expected Residential Mortgage Program fees.

The Industrial Development Authority of the City of Phoenix, Arizona
Monthly Financials Table of Contents
June 30, 2017

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**The Industrial Development Authority of the City of Phoenix, Arizona
Statement of Net Position
June 30, 2017**

Assets

Current Assets			
Cash and cash equivalents	\$	2,992,558	6A
Certificates of Deposit		17,021,156	6B
Receivables, net			
Accounts receivable, net		17,946	7
Interest receivable - loans		250	9C
Notes receivable, current portion		353,007	9A
Prepaid expenses		25,459	8
Total Current Assets		<u>20,410,377</u>	
Noncurrent Assets			
Investments		1,319,415	6C
Long term notes receivable, net		1,614,493	9B
Land Receivable		137,593	12A
Fixed Assets	I	3,388,649	12B
Due from Related Company		40,000	
Related Company Stock	II	2,000,000	12C
Total Noncurrent Assets		<u>8,500,150</u>	
Total Assets	\$	<u><u>28,910,527</u></u>	

Liabilities and Net Position

Current Liabilities			
Accounts payable	\$	33,553	13A
Accrued expenses	III	539,147	13B
Deferred Loan Fees		29,913	13C
Total Current Liabilities		<u>602,613</u>	
Allocated Funds		26,225,000	14
Net Assets - Unrestricted		<u>2,082,913</u>	2
Total Liabilities and Net Assets	\$	<u><u>28,910,527</u></u>	

**The Industrial Development Authority of the City of Phoenix, Arizona
Statement of Revenues, Expenses and Changes in Net Position
For the Month and Year to Date as of June 30, 2017**

	June-17	Year to Date			Annual
	Current	Actual	Budget	Variances	Budget
Operating Revenue					
Bond Redemption	\$ 10,928	\$ 63,692	\$ 0	\$ 63,692	\$ 0
User Assessment Fees	\$ 7,323	\$ 1,378,758	\$ 1,070,000	\$ 308,758	\$ 1,070,000
Lender Fees	1,000	17,000	0	17,000	0
Home in Five DPA Fees	257,107	3,738,379	2,500,000	1,238,379	2,500,000
HFA Preferred DPA Fees	26,931	94,483	50,000	44,483	50,000
MCC Program Income	0	1,317	45,000	(43,683)	45,000
Residential Mortgage Program Fees	\$ 285,038	\$ 3,851,179	\$ 2,595,000	\$ 1,256,179	\$ 2,595,000
Single Family Issuer fees	0	320	1,000	(680)	1,000
Application fees	6,000	18,000	30,000	(12,000)	30,000
Loan fees	0	15,375	0	15,375	0
Closing fees	2,955	5,355	36,000	(30,645)	36,000
Other fees	0	6	0	6	0
Site Review fee	0	1,300	0	1,300	0
Community Development Fund	0	25,000	0	25,000	0
Fee Income	\$ 8,955	\$ 65,355	\$ 67,000	\$ (1,645)	\$ 67,000
Total Operating Revenue	\$ 312,244	\$ 5,358,985	\$ 3,732,000	\$ 1,626,985	\$ 3,732,000
Operating Expenses					
Accounting Services	\$ 316	\$ 3,638	\$ 3,500	\$ (138)	\$ 3,500
Administration	11,722	38,187	88,000	49,813	88,000
Audit	0	16,175	18,000	1,825	18,000
Corporate - Legal and Governance	3,574	53,399	62,900	9,501	62,900
Director and Officer Insurance	1,935	22,937	25,300	2,363	25,300
General Expenses	(2,824)	70,646	91,800	21,154	91,800 ¹
Legislative Affairs	2,500	30,000	30,000	0	30,000
Salaries and Wages	163,291	1,105,406	1,112,500	7,094	1,112,500
Staff Development	3,875	10,440	10,000	(440)	10,000
Technology	3,860	29,021	35,500	6,479	35,500
General and Administration	\$ 188,249	\$ 1,379,849	\$ 1,477,500	\$ 97,651	\$ 1,477,500
Bond Administration	1,500	8,014	14,500	6,486	14,500
Bond Administration - Single Family	0	1,702	5,000	3,298	5,000
Bond Administration	\$ 1,500	\$ 9,716	\$ 19,500	\$ 9,784	\$ 19,500
Other Programs	\$ 100	\$ 40,857	\$ 60,250	\$ 19,393	\$ 60,250
Community Development Fund	\$ 413,000	\$ 1,138,000	\$ 1,782,770	\$ 644,770	\$ 1,782,770 ^{1,2}
Program Development	3,998	46,877	60,000	13,123	60,000 ³
Project Development	0	10,155	42,815	32,660	42,815 ³
Business Development	250	87,602	147,700	60,098	147,700
Program and Project Development	\$ 4,248	\$ 144,634	\$ 250,515	\$ 105,881	\$ 250,515
Loan Portfolio Administration	\$ 0	\$ 1,072	\$ 14,500	\$ 13,428	\$ 14,500
Total Operating Expenses	\$ 607,097	\$ 2,714,128	\$ 3,605,035	\$ 890,907	\$ 3,605,035
Operating Income	\$ (294,853)	\$ 2,644,856	\$ 126,965	\$ 2,517,891	\$ 126,965
Non-Operating Revenue					
Interest income	\$ 27,449	\$ 204,186	\$ 95,500	\$ 108,686	\$ 95,500
Refunds	0	0	0	0	0
Gain on Sale/Disposal of Asset	0	0	0	0	0
Net increase in the fair value of investments	857,478	959,954	0	959,954	0
Total Non-Operating Revenue	\$ 884,927	\$ 1,164,139	\$ 95,500	\$ 1,068,639	\$ 95,500
Other Expenses					
Bad Debt Expense	83,656	83,656	0	(83,656)	0
Change in Net Position	\$ 506,418	\$ 3,725,340	\$ 222,465	\$ 3,670,186	\$ 222,465
Revenues Moved to Restricted Assets	(2,617,230)	(6,392,230)			
Unrestricted Net Position, beginning	4,193,726	4,749,804			
Unrestricted Net Position, end	<u>\$ 2,082,913</u>	<u>\$ 2,082,913</u>			

¹ Reflects changes to budget approved by Board on September 8, 2016

² Reflects changes to budget and CDF allocation approved by Board on October 13, 2016

³ Reflects changes to budget approved by Board on February 9, 2017

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Revenue
For the Month and Year to Date as of June 30, 2017**

		Current Month Actual	Year to Date Actual	Current Month Budget	Annual Budget
Operating Revenue					
Bond Redemption	IV	\$ 10,928	\$ 63,692	\$ 0	\$ 0
User Assessment Fees	V	7,323	1,378,758	1,070,000	1,070,000
Residential Mortgage Program Fees					
Lender Fees		1,000	17,000	0	0
Home in Five DPA Fees	VI	257,107	3,738,379	2,500,000	2,500,000
HFA Preferred DPA Fees		26,931	94,483	50,000	50,000
MCC Program Income		0	1,317	45,000	45,000
Residential Mortgage Program Fees		<u>285,038</u>	<u>3,851,179</u>	<u>2,595,000</u>	<u>2,595,000</u>
Fee Income					
Single Family Issuer fees		0	320	1,000	1,000
Application fees		6,000	18,000	30,000	30,000
Loan fees		0	15,375	0	0
Closing fees		2,955	5,355	36,000	36,000
Other fee		0	6	0	0
Site Review fee		0	1,300	0	0
Community Development Fund		0	25,000	0	0
Fee Income		<u>8,955</u>	<u>65,355</u>	<u>67,000</u>	<u>67,000</u>
Total Operating Revenue		\$ 312,244	\$ 5,358,985	\$ 3,732,000	\$ 3,732,000
Non-Operating Revenue					
Interest Income					
Loans		\$ 9,098	11B 60,260	\$ 41,500	\$ 41,500
Banks		18,351	143,926	54,000	54,000
Interest Income		<u>27,449</u>	<u>204,186</u>	<u>95,500</u>	<u>95,500</u>
Fair Value of Investments Increase/(Decrease)		<u>857,478</u>	<u>959,954</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenue		<u>\$ 884,927</u>	<u>\$ 1,164,139</u>	<u>\$ 95,500</u>	<u>\$ 95,500</u>
Total Revenue		<u>\$ 1,197,171</u>	<u>\$ 6,523,124</u>	<u>\$ 3,827,500</u>	<u>\$ 3,827,500</u>

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Operating Expenses - Page 1
For the Month and Year to Date as of June 30, 2017**

	Current Month Actual	Year to Date Actual	Year to Date Budget	Annual Budget
General and Administration				
Accounting Services	\$ 316	\$ 3,638	\$ 3,500	\$ 3,500
Administration				
Application Forms	0	493	1,000	1,000
Contract Administration & Policies	0	0	2,000	2,000
Other Miscellaneous Service Cost	5,317	27,082	45,000	45,000
Human Resources	6,405	10,612	40,000	40,000
	<u>11,722</u>	<u>38,187</u>	<u>88,000</u>	<u>88,000</u>
Audit				
Audit Fee	0	16,000	14,500	14,500
Accounting & Legal Fees	0	175	3,500	3,500
	<u>0</u>	<u>16,175</u>	<u>18,000</u>	<u>18,000</u>
Corporate - Legal and Governance				
Legal Fees	3,500	42,045	43,500	43,500
Supplies	0	101	200	200
Seminars/Education	0	0	4,000	4,000
Annual Board Summit	0	8,017	8,500	8,500
Board Meetings	35	616	1,200	1,200
Other	40	2,621	5,500	5,500
	<u>3,574</u>	<u>53,399</u>	<u>62,900</u>	<u>62,900</u>
Director and Officer Insurance	1,935	22,937	25,300	25,300
General Expenses				
Bank Charges	10	231	400	400
Copier	109	1,859	3,200	3,200
Dues and Subscriptions	138	563	1,000	1,000
Mileage and Parking	0	906	3,000	3,000
Equipment	0	9,114	12,500	12,500
Office Supplies and Postage	641	6,977	7,200	7,200
General Administrative Services	3,333	40,000	40,200	40,200
Telephone	104	1,366	3,600	3,600
Records Storage	0	6,349	7,000	7,000
Property Expense	(7,511)	0	10,000	10,000
Other	351	3,282	3,700	3,700
	<u>(2,824)</u>	<u>70,646</u>	<u>91,800</u>	<u>91,800</u>
Legislative Affairs				
Professional Services	2,500	30,000	30,000	30,000
	<u>2,500</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Salaries and Wages				
Executive Director - City	-	214,764	262,500	262,500
Administration	163,291	890,643	850,000	850,000
	<u>163,291</u>	<u>1,105,406</u>	<u>1,112,500</u>	<u>1,112,500</u>
Staff Development	3,875	10,440	10,000	10,000
Technology				
Maintenance	0	0	500	500
Upgrades and other service	3,860	29,016	30,000	30,000
Other	0	5	5,000	5,000
	<u>3,860</u>	<u>29,021</u>	<u>35,500</u>	<u>35,500</u>
General and Administration	\$ 188,249	\$ 1,379,849	\$ 1,477,500	\$ 1,477,500

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Operating Expenses - Page 2
For the Month and Year to Date as of June 30, 2017**

	Current Month Actual	Year to Date Actual	Year to Date Budget	Annual Budget
Bond Administration				
Bond Administration				
Legal Fees	0	1,895	5,000	5,000
Regulatory Compliance	1,500	6,000	6,000	6,000
Other	0	119	3,500	3,500
	<u>1,500</u>	<u>8,014</u>	<u>14,500</u>	<u>14,500</u>
 Bond Administration: Single Family				
Legal Fees	0	25	2,500	2,500
MCC Administration	0	0	500	500
Other	0	1,677	2,000	2,000
	<u>0</u>	<u>1,702</u>	<u>5,000</u>	<u>5,000</u>
 Bond Administration	\$ 1,500	\$ 9,716	\$ 19,500	\$ 19,500
 Other Programs				
Residential Mortgage Programs				
Professional Services	0	19,047	27,750	27,750
Legal Services	50	21,200	30,000	30,000
Other	0	560	2,500	2,500
	<u>50</u>	<u>40,807</u>	<u>60,250</u>	<u>60,250</u>
 Lend a Hand Program				
Credit Counseling	50	50	0	0
	<u>50</u>	<u>50</u>	<u>0</u>	<u>0</u>
 Other Programs	\$ 100	\$ 40,857	\$ 60,250	\$ 60,250
 Community Development Fund				
Community Development Fund				
CDF Awards	313,000	848,000	1,430,000	1,430,000
Other CDF Awards	VII 100,000	290,000	352,770	352,770
Other	0	0	0	0
	<u>\$ 413,000</u>	<u>\$ 1,138,000</u>	<u>\$ 1,782,770</u>	<u>\$ 1,782,770</u>
 Program and Project Development				
Program Development				
Other	3,998	46,877	60,000	60,000
	<u>3,998</u>	<u>46,877</u>	<u>60,000</u>	<u>60,000</u>
 Project Development	0	10,155	42,815	42,815
 Business Development				
Professional Services	0	11,469	30,000	30,000
Tables and Events	0	68,510	100,000	100,000
Memberships	250	7,190	8,000	8,000
Project Signage	0	311	1,200	1,200
Other	0	122	8,500	8,500
	<u>250</u>	<u>87,602</u>	<u>147,700</u>	<u>147,700</u>
 Program and Project Development	\$ 4,248	\$ 144,634	\$ 250,515	\$ 250,515
 Loan Portfolio Administration				
Loan Portfolio Administration				
Legal Fees	0	150	5,000	5,000
Professional Services	0	875	8,000	8,000
Other	0	47	1,500	1,500
	<u>\$ 0</u>	<u>\$ 1,072</u>	<u>\$ 14,500</u>	<u>\$ 14,500</u>
 Loan Portfolio Administration	\$ 0	\$ 1,072	\$ 14,500	\$ 14,500
 Total Operating Expenses	\$ 607,047	\$ 2,714,078	\$ 3,605,035	\$ 3,605,035
 Other Expenses				
Bad Debt Expense	VIII \$ 83,656	\$ 83,656	\$ 0	\$ 0

**The Industrial Development Authority of the City of Phoenix, Arizona
Cash Equivalents & Investments as of 06/30/2017**

<u>Cash Equivalents</u>			<u>Comments</u>
<u>Mutual of Omaha</u>			
Checking Account	Acct. #9300035746	\$ 12,940.05	Reconciled balance through 06/30/2017
Money Market Fund	Acct. #9300189808	231,239.39	Account yielding 0.77% (through 06/13/17)
Collateralized Sweep	Acct. #1583	44,010.02	Account yielding 0.05%
Sub-Total -- Mutual of Omaha		<u>\$ 288,189.46</u>	
<u>AZ Bank & Trust</u>			
Money Market Fund	Acct. #9361047185	\$ 14,487.09	Account yielding 0.25%
<u>KS State Bank</u>			
ICS - Savings	Acct. #8010547662	\$ 2,654,828.72	Account yielding 0.55%
<u>Marisol Credit Union</u>			
Loan Loss Reserve	Acct. #362928	\$ 20,003.12	Lend a Hand program
Credit Counseling	Acct. #362928	\$ 14,950.00	Lend a Hand program
<u>Petty Cash Account</u>		<u>\$ 100.00</u>	Used for general business expenses
Total Cash Equivalents		<u>\$ 2,992,558.39</u>	A
<hr/>			
<u>Certificates of Deposit (original maturities up to 2 years)</u>			
Mutual of Omaha	Managed CDs	\$ 2,231,000.00	** various terms, maturities Jul-17 thru Feb-18
Western State Bank	CDARS	6,018,397.80	** 6-month term yielding 0.75%. Matures 08/03/17
KS State Bank	Acct. # 34266	250,000.00	12-month term yielding 1.15%. Matures 11/25/17
KS State Bank	CDARS	8,031,182.90	** 12-month term yielding 1.00%. Matures 02/08/18
RepublicBankAz	Acct. # 31102075	248,089.00	12-month term yielding 1.00%. Matures 04/05/18
AmTrust Bank	Acct. # 333446343160	242,486.35	12-month term yielding 1.31%. Matures 05/31/18
Sub-Total -- Certificates of Deposit		<u>\$ 17,021,156.05</u>	B
<u>Other Investments</u>			
		Market Value	
Arizona Community Foundation - Socially Responsible Pool		\$ 1,319,414.82	C Varying yields, posted quarterly, funds available next day
Total Non-Cash Equivalents		<u>\$ 18,340,570.87</u>	** Detailed schedule available
<hr/>			
Total Cash Equivalents and Investments		<u>\$21,333,129.26</u>	Maturity ≤ 30 days Maturity ≤ 60 days

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Accounts Receivable
As of June 30, 2017**

	Amount Due
Local First Arizona	\$ 250 ¹
Raymond James	<u>17,946</u> ²
TOTAL	<u><u>\$ 18,196</u></u>

¹ *June interest on loan*

² *Adjustment due from FY 2017 Home in Five 100+ day loans*

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Prepaid Expenses
As of June 30, 2017**

	Amortizable Amt per Mo	Prepaid Bal Remaining
Prepaid Insurance Expense (4/17-4/18) (Original Amount: \$23,248.90)	1,935	\$ 17,415
Prepaid Administrator Health Insurance		8,044
TOTAL		<u>\$ 25,459</u>

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Notes Receivable
As of June 30, 2017**

	Current	Noncurrent	Accrued Interest	Total
Direct Loans				
Capitol Mews	\$ 0	\$ 250,000	\$ 26,376	\$ 276,376
Paradise Palms	0	338,984	96,045	435,029
Phoenix Broadway Associates	0	315,000	89,250	404,250
Vineyard Estates	0	277,040	78,495	355,535
Espiritu Community Development	100,000		0	100,000
Ridgeline Academy		600,000	0	600,000
Galvanize, Inc.		942,500	0	942,500
Maricopa Co Reg School District #509	250,000		0	250,000
Local First Arizona	3,007	71,993	250	75,250
Subtotal	353,007	2,795,517	290,416	3,438,940
Loan Participations				
	\$ 0	\$ 0	\$ 0	\$ 0
Subtotal	0	0	0	0
Less allowance for losses		(1,181,024)	(290,166)	(1,471,190)
TOTAL	<u>\$ 353,007</u>	<u>\$1,614,493</u>	<u>\$ 250</u>	<u>\$1,967,750</u>
	<i>A (p. 1)</i>	<i>B (p. 1)</i>	<i>C (p. 1)</i>	<i>11A</i>

	NAME	Note Date	TERMS	ORIGINAL PRINCIPAL	PRINCIPAL BALANCE	ACCOUNT BALANCE	INTEREST/FEES CURRENT MONTH
1	Capitol Mews Apartments *	1/23/2001	4% Interest Only on adjusted balance as of 7/28/11, due December 2040. CASH FLOW NOTE	\$250,000.00	\$250,000.00	\$276,375.76	\$833.33
2	Paradise Palms *	4/7/2000	MODIFIED: 6/1/10; 4% Interest Only on adjusted balance as of 6/1/10. Default Interest = 6%. Maturity =- 4/7/2026	\$250,000.00	\$338,984.00	\$435,029.47	\$1,130.35
3	Phoenix Broadway Associates, L.P. *	6/1/2001	MODIFIED: 6/1/10; 4% Interest Only on adjusted balance as of 6/1/10. Default Interest = 6%. Maturity =- 6/1/2021	\$250,000.00	\$315,000.00	\$404,250.00	\$1,050.00
4	Phoenix Vineyard, L.P. *	10/15/2001	MODIFIED: 6/1/10; 4% Interest Only on adjusted balance as of 6/1/10. Default Interest = 6%. Maturity =- 10/15/2021	\$250,000.00	\$277,040.00	\$355,534.63	\$923.87
5	Espiritu Community Development Corporation	12/15/2014	5.5% Interest only through 2017 (or permanent financing); due December 2017	\$100,000.00	\$100,000.00	\$100,000.00	\$458.33
6	Ridgeline Academy"	4/7/2016	4% interest only through April 2021 maturity date, when principal balance is due. First payment due 5/2/2016	\$600,000.00	\$600,000.00	\$600,000.00	\$4,000.00
7	Galvanize, Inc.^	7/11/2016	5% interest (one-time adjustment Aug 2021), capitalized interest, no payment until May 2017, interest only payments through July 2018, then fully amortized through 7/1/2026 maturity	\$942,500.00	\$942,500.00	\$942,500.00	\$4,389.53
				Grand Total	\$2,823,524	\$3,113,690	\$12,785.41
<i>All loans are Direct Loans, except as noted</i>				Loans in "reserve" status (1, 2, 3 and 4)	\$1,181,024	\$1,471,190	\$3,937.55
				Surplus Cash Payment Received (1)			
				Loans in "current" status (5, 6, 7 and 8), plus Surplus Cash payments	\$1,642,500	\$1,642,500	\$8,847.86
<p>* Interest payments not currently made by Borrower " June and July interest received in June ^ Interest column includes capitalized interest amortized over life of loan at \$462.45 per month</p>							

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Land Receivables, Fixed Assets & Other Assets
As of June 30, 2017**

		Acquisition Date	% Owned	Original Cost	Repaid	Cost Basis	Asset Balance
Land Receivables							
North First Avenue	¹	1/26/2012	50%	\$ 157,500	\$ 19,907	\$ 137,593	\$ 137,593
							<i>A (p. 1)</i>
Ownership through Development Agreements with City of Phoenix							
Beeline	^{1,3}	9/10/2013	50%	\$ 370,433	\$ (186,826)	\$ 370,433	\$ 557,259
West Fillmore	^{1,3}	1/31/2015	90%	2,662,008	(169,383)	2,662,008	2,831,390
				<hr/>	<hr/>	<hr/>	<hr/>
Total				\$ 3,032,440	\$ (356,209)	\$ 3,032,440	\$ 3,388,649
							<i>B (p. 1)</i>
Ownership through Stock in Related Company							
							<i>I</i>
207 E McDowell Rd	^{2,3}	8/31/2015	100%	1,173,729	(826,271)	1,173,729	2,000,000
				<hr/>	<hr/>	<hr/>	<hr/>
				\$ 1,173,729	\$ (826,271)	\$ 1,173,729	\$ 2,000,000
							<i>C (p. 1)</i>

¹ Land

² Land and Building

³ Asset Balance increased from Cost Basis due to valuation at 2015 appraised value, as required by GASB 72

The Industrial Development Authority of the City of Phoenix, Arizona
Accounts Payable & Accrued Expenses
As of June 30, 2017

		<u>Totals</u>
Accounts Payable		
All About People	\$ 6,300.00	
City of Phoenix	4,097.34	
Cox Business	69.00	
Fennemore Craig, P.C.	3,500.00	
JAG Compliance & Consulting	1,500.00	
JD Naumann & Associates	3,250.00	
Juan Salgado	2,615.99	
Kutak Rock LLP	2,550.00	
Magic Designs Creative Graphics, LLC	187.50	
Mario E Diaz & Associates	3,500.00	
OH Strategic Communications	5,000.00	
TOTAL	5,000.00	\$ 32,569.83
Monthly Credit Card Expenses	\$ 983.09	983.09
Total Accounts Payable		\$ 33,552.92 A (p. 1)
Accrued Expenses		
CodePHX	\$ 138,800.00	
Round 3 Community Development Fund Awards	313,000.00	
Salaries, benefits and deferred compensation	87,347.39	
TOTAL	87,347.39	539,147.39 B (p. 1)
Deferred Loan Fees - Galvanize, Inc.		29,913.05 B (p. 1)
Total Current Liabilities		\$ 602,613.36

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Allocated Funds
As of June 30, 2017**

3-Year Operating Expense	\$	5,225,000	
Community Development Fund		2,000,000	
Community Impact Fund		19,000,000	15
		<hr/>	
TOTAL	IX	\$ 26,225,000	
		<hr/> <hr/>	

3-Year Operating Expense reserve approved by Board with adoption of final budget.

Community Development Fund balance includes: \$644,770 balance from FY 2017, increased to \$2,000,000 for FY 2018, plus fees charged during the current fiscal year on non-Arizona bond issues. The balance is decreased by awards to Phoenix agencies during the year.

Community Impact Fund commitment, \$5,000,000 approved 6/14/2012, plus \$5,000,000 approved 6/11/2015, plus \$4,000,000 approved 8/13/2015, plus \$3,500,000 approved on 9/8/2016, plus \$1,500,000 approved on 6/15/2017.

**The Industrial Development Authority of the City of Phoenix, Arizona
Supplemental Schedule of Community Impact Investments
As of June 30, 2017**

	Asset Type	Allocation (max per program)	Funded within Phoenix	Funded Outside Phoenix	Total Funded
Phoenix IDA Loan Fund	Loan ¹	\$ 2,192,500	\$ 1,967,500 ⁴		\$ 1,967,500
Real Property	Fixed Asset ³	3,032,440	3,032,440		3,032,440
Real Property Receivable	Receivable ⁵	137,593	137,593		137,593
Real Property (Stock in Related Company)	Other Asset ⁶	2,000,000	2,000,000		2,000,000
Loan Participation Program	Loan Participation ^{1,2}	3,750,000	0		0
Lend a Hand Program	Loan Costs & Reserve ⁷	70,000	34,950		34,950
Total Community Impact Investments			\$ 7,172,483	\$ 0	\$ 7,172,483

Allocated to Community Impact Fund

\$ 19,000,000

Available for Community Impact Investments

\$ 11,827,517

¹ Programs approved for loans both within and outside the City of Phoenix

² Loan Participations involve the Phoenix IDA purchase of interest in loans by others, including energy efficiency

³ Beeline and West Fillmore properties (at cost)

⁴ Loans to: Espiritu Community Development Corporation, Ridgeline Academy, Galvanize, Inc., MCRSD & Local First

⁵ Land Receivable: North First Avenue

⁶ Real property held through Stock in Related Company: 207 E McDowell Rd

⁷ Marisol Credit Union auto title loan program, certain borrower costs and loan reserve

The Industrial Development Authority of the City of Phoenix, Arizona				
Cash Receipts Report				
June 2017				
	Date	Account	Name	Amount
10000 Cash & Cash Equivalents				
10025 Mutual of Omaha-Checking				
	06/02/2017	40302	Galvanize Inc.	3,927.08
	06/05/2017	61102	Arizona Advocacy Network	1,000.00
	06/05/2017	40412	New West Lending	170.25
	06/05/2017	40200	Legacy Traditional Schools East Mesa 2017	3,000.00
	06/07/2017	40200	Legacy Traditional Schools Cadence 2017	3,000.00
	06/07/2017	40302	Espiritu Community Development 2006	458.33
	06/09/2017	40412	New West Lending	900.00
	06/14/2017	12000	La Palmilla 2017	10,278.00
	06/26/2017	40411	First Centennial Mortgage Corp	1,000.00
	06/26/2017	40505	Internal Revenue Service	32,735.62
	06/27/2017	40412	Movement Mortgage	936.05
	06/30/2017	60727	Phoenix IDA Real Estate Holdings Corporation	7,943.11
Total for 10025 Mutual of Omaha-Checking				16 \$ 65,348.44
10031 Mutual of Omaha MM (9808)				
	06/30/2017	40303	Mutual of Omaha Bank	133.47
Total for 10031 Mutual of Omaha MM (9808)				\$ 133.47
10040 Mutual Collateralized				
	06/02/2017	40303	Mutual of Omaha Bank	20.51
	06/05/2017	40303	Mutual of Omaha Bank	1,312.70
	06/12/2017	40303	Mutual of Omaha Bank	168.51
	06/19/2017	40303	Mutual of Omaha Bank	1,312.70
	06/20/2017	40303	Mutual of Omaha Bank	200.10
Total for 10040 Mutual Collateralized				\$ 3,014.52
10052 KS State Bank - ICS				
	06/12/2017	40412/3	Zions First Natl Bank	116,334.05
	06/20/2017	40412/3	Zions First Natl Bank	68,943.14
	06/29/2017	40412/3	Zions First Natl Bank	79,083.06
	06/30/2017	40303	KS State Bank	1,187.02
Total for 10052 KS State Bank - ICS				\$ 265,547.27
10055 Arizona Bank & Trust - Money Market				
	06/02/2017	40302	Ridgeline Academy, Inc. 2016	2,000.00
	06/30/2017	40303	Arizona Bank & Trust	0.31
	06/30/2017	40302	Ridgeline Academy, Inc. 2016	2,000.00
Total for 10055 Arizona Bank & Trust - Money Market				\$ 4,000.31
Total for 10000 Cash & Cash Equivalents				\$ 338,044.01
10500 Certificates of Deposit				
10506 AmTrust Bank				
	06/30/2017	40303	AmTrust Bank	267.00
Total for 10506 AmTrust Bank				\$ 267.00
10518 KS State Bank - CDARS				
	06/30/2017	40303	KS State Bank	6,598.11
Total for 10518 KS State Bank - CDARS				\$ 6,598.11
10519 RepublicBankAZ				
	06/30/2017	40303	RepublicBankAZ	204.00
Total for 10519 RepublicBankAZ				\$ 204.00
10520 Western State Bank - CDARS				
	06/30/2017	40303	Western State Bank	3,708.78
Total for 10520 Western State Bank - CDARS				\$ 3,708.78
Total for 10500 Certificates of Deposit				\$ 10,777.89
TOTAL				\$ 348,821.90

The Industrial Development Authority of the City of Phoenix, Arizona				
Cash Disbursements Report				
June 2017				
	Date	Account	Name	Amount
10000 Cash & Cash Equivalents				
10001 Petty Cash				
	06/01/2017	60715	Bashas'	-3.49
	06/01/2017	60906	Z-Tejas	-40.61
	06/07/2017	60906	Matt's Big Breakfast	-26.50
	06/15/2017	60715	Bashas'	-3.49
	06/15/2017	60715	US Postal Service	-14.49
	06/28/2017	10025	Cash	88.58
Total for 10001 Petty Cash				\$ 0.00
10025 Mutual of Omaha-Checking				
	06/01/2017	64002	JD Naumann & Associates, LTD	-1,550.00
	06/01/2017	60715	Goodmans Interior Structures	-19.28
	06/01/2017	60727	Carina Torres	-200.00
	06/01/2017	62002	BNC National Bank	-562.50
	06/01/2017	40412	Driggs Title Agency, Inc.	-275.00
	06/01/2017	60727	Sell & Associates, Inc.	-3,400.00
	06/01/2017	62002	Blue Cross Blue Shield of Arizona	-8,044.20
	06/01/2017	60727	USI Insurance Services LLC	-2,584.13
	06/02/2017	60105	Mario E Diaz & Associates	-3,500.00
	06/02/2017	62002	Principal Financial	-1,562.96
	06/05/2017	61102	Arizona Advocacy Foundation Inc	-1,000.00
	06/08/2017	60105	Wendy Gutierrez	-414.00
	06/08/2017	64002	Cox Business	-69.00
	06/08/2017	62002	Paychex	-20,883.43
	06/09/2017	60000	Paychex EIB	-125.96
	06/09/2017	62002	Paychex TPS	-10,463.48
	06/13/2017	62002	457 Mutual Retirement Services	-1,367.53
	06/14/2017	60704	Mutual of Omaha Bank	-5.00
	06/15/2017	61102	Alliance of Arizona Nonprofits	-250.00
	06/15/2017	60727	Carina Torres	-200.00
	06/15/2017	20000	Kutak Rock LLP	-10,533.64
	06/15/2017	61131	Zions First National Bank	-3,450.00
	06/15/2017	60105	Yim Law Office, PLLC	-625.00
	06/15/2017	60105	Wendy Gutierrez	-1,048.80
	06/15/2017	66004	OH Strategic Communications, LLC	-6,200.00
	06/15/2017	61104	Joe Burdar Screen Print	-200.91
	06/15/2017	64002	JD Naumann & Associates, LTD	-300.00
	06/15/2017	60301	Fennemore Craig, P.C.	-3,500.00
	06/15/2017	60715	FedEx	-20.36
	06/15/2017	20000	City of Phx	-4,578.92
	06/16/2017	60000	Paychex HRS	-50.00
	06/22/2017	62002	Paychex	-20,885.84
	06/23/2017	60000	Paychex EIB	-140.08
	06/23/2017	62002	Paychex TPS	-10,465.05
	06/27/2017	20022	Arizona Bank & Trust	-1,269.12
	06/27/2017	62002	457 Mutual Retirement Services	-1,367.53
	06/27/2017	62002	Blue Cross Blue Shield of Arizona	-8,044.20
	06/28/2017	60704	Mutual of Omaha Bank	-5.00
	06/28/2017	10001	Cash	-88.58
	06/28/2017	60105	Flanagan-Hyde Associates, LLC	-4,000.00
	06/28/2017	60727	Carina Torres	-200.00

The Industrial Development Authority of the City of Phoenix, Arizona				
Cash Disbursements Report				
June 2017				
	Date	Account	Name	Amount
	06/28/2017	63000	Paul Magallanez	-2,138.55
Total for 10025 Mutual of Omaha-Checking				16 -\$ 135,588.05
10052 KS State Bank - ICS				
	06/28/2017	40505	Maricopa IDA	-10,903.94
	06/28/2017	40505	Pima IDA	-10,903.94
Total for 10052 KS State Bank - ICS				-\$ 21,807.88
10065 Marisol Federal Credit Union				
10065.2 Marisol Credit Counseling				
	06/16/2017	61161	Take Charge America	-50.00
Total for 10065.2 Marisol Credit Counseling				-\$ 50.00
Total for 10065 Marisol Federal Credit Union				-\$ 50.00
Total for 10000 Cash & Cash Equivalents				-\$ 157,445.93
TOTAL				-\$ 157,445.93
Tuesday, Aug 01, 2017 11:51:59 AM GMT-7 - Accrual Basis				

Item 4



MEMORANDUM

DATE: August 17, 2017
TO: Members, Finance Committee
FROM: Juan Salgado, Executive Director
SUBJECT: Operating Budget Adjustment for Fiscal Year 2017–2018.

In March 2017, the Board approved the allocation of up to \$70,000 to the Lend a Hand Program, aimed at providing members of the public with a lower-cost alternative to high interest rate loans, and to help put them on the path to healthy credit profiles and financial success.

This program was developed with Marisol Federal Credit Union (MFCU) to underwrite and service the loans, Take Charge America to provide the credit counseling services, and Arizona Community Foundation (ACF) who, along with the Phoenix IDA, would share in providing a 10% loan loss reserve fund and pay for the cost of providing the credit counseling services to every borrower.

As of June 2017, ACF and the Phoenix IDA had funded \$35,000 each with MFCU, \$20,000 each for loan loss reserve and \$15,000 each for credit counseling. The Phoenix IDA's related FY 2018 expenses were not included in the original proposed budget for FY 2018. We request the Finance Committee recommend to the Board, for final approval, a FY 2018 budget for this program of:

Credit Counseling	\$14,950
Loan Loss Reserve	\$10,000
Other Costs	<u>\$ 5,000</u>
Total	\$29,950