CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY BOND PROGRAM

Audited Financial Statements

June 30, 2022

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

AUDITED FINANCIAL STATEMENTS

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board Members
California Health Facilities Financing Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Bond Financing Program Fund of the California Health Facilities Financing Authority (CHFFA) (Bond Program) as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Program of CHFFA as of June 30, 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bond Program of CHFFA 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 CHFFA Bond Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 CHFFA'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bond Program of CHFFA'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 the management's discussion and analysis, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions to the Pension Plan, Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

Board Members
California Health Facilities Financing Authority

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CHFFA Bond Program's basic financial statements. The accompanying Schedule of Bonds Issued and Outstanding are presented for the purposes of additional analysis and are not a required part of the basic financial statements. This schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Emphasis of Matter

As discussed in Note A, the financial statements present only the Bond Financing Program Fund and do not purport to, and do not present fairly the financial position of CHFFA as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023, on our consideration of the Bond Program of CHFFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond Program of CHFFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bond Program of CHFFA's internal control over financial reporting and compliance.

Richardson & Company, LLP

October 10, 2023

This section of the financial statements of the California Health Facilities Financing Authority (CHFFA) presents management's discussion and analysis of the financial performance during the fiscal years that ended on June 30, 2022, 2021, and 2020. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

CHFFA was established in 1979 and was created to be the State's vehicle for providing financial assistance to public and non-profit health care providers in our State through loans funded by the issuance of tax-exempt bonds.

The diverse nature of the facilities funded by CHFFA reflects the changing health care needs of the State. From rural community-based organizations to large multi-hospital systems, CHFFA has financed a wide range of providers and programs throughout California.

Conduit Financing Activity

During the fiscal years ended June 30, 2022 and June 30, 2021, CHFFA issued bonds totaling $2,470,390,000 and $1,503,410,000, respectively. As of June 30, 2022, CHFFA's total conduit debt issued was approximately $47.1 billion, and the total conduit debt outstanding was approximately $17.7 billion. As of June 30, 2021, CHFFA's total conduit debt issued was approximately $44.7 billion, and the total conduit debt outstanding was approximately $16.3 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of CHFFA include the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), basic financial statements, accompanying notes and supplemental information.

REQUIRED FINANCIAL STATEMENTS

CHFFA's financial statements report information is using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities. The financial statement prepared for fiscal year ended June 30, 2022 was performed by the auditing firm Richardson & Company LLP. The financial statements prepared for fiscal year ended June 30, 2021 and 2020, were performed by the auditing firm Gilbert CPAs.

The ***Statements of Net Position*** include CHFFA's assets, liabilities, and net position for the fiscal years ended June 30, 2022, 2021, and 2020 and provide information about the nature and amounts of investments in resources (assets) and the obligations to CHFFA's creditors (liabilities) (see Table 1).

Table 1
Statements of Net Position

	2022	2021	2020
Assets			
Current Assets	$15,798,026	$ 16,299,834	$ 10,236,898
Non-Current Assets	2,113	3,320	-
Total Assets	15,800,139	16,303,154	10,236,898
Deferred Outflow of Resources	724,493	720,782	730,629
Total Assets and Deferred Outflow of Resources	$ 16,524,632	$ 17,023,936	$ 10,967,527
Liabilities			
Current Liabilities	$ 214,815	$ 293,376	$ 411,857
Non-Current Liabilities	$ 4,339,547	$ 5,124,769	$ 3,532,674
Total Liabilities	4,554,362	5,418,145	3,944,531
Deferred Inflow of Resources	1,254,270	375,557	189,813
Net Position			
Restricted for Purposes Specified in Enabling Legislation	10,716,000	11,230,234	6,833,183
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 16,524,632	$ 17,023,936	$ 10,967,527

CHFFA's Total Assets and Deferred Outflow of Resources for the fiscal year ended June 30, 2022 exhibited a slight decline. Although there was a significant increase in Cash and Cash Equivalents, it was offset by an even larger decline in Accounts Receivable and in Due from External Fund because of enhanced collection activities and lower fee revenue. Non-Current Assets declined by $1,207 for the fiscal year ended June 30, 2022, due to an increase in accumulated depreciation. CHFFA did not acquire or sell any capital assets. CHFFA's Total Liabilities, Deferred Inflow of Resources, and Net Position was $16,524,632 for the fiscal year ended June 30, 2022, which was a slight decrease from $17,023,936 for the prior fiscal year ended June 30, 2021, due to CHFFA making a large payment reducing its' Net Pension Liability.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** account for all the revenue earned, and expenses incurred by CHFFA for the fiscal years ended June 30, 2022, 2021, and 2020. These statements reflect the results of CHFFA's operations in each of the respective years (see Table 2).

Table 2
Statements of Revenues, Expenses, and Changes In Net Position

		2022	2021	2020
Operating Revenues				
Fee Revenue		$ 2,267,451	$ 2,491,914	$ 2,738,650
	Total Operating Revenues	2,267,451	2,491,914	2,738,650
Operating Expenses				
Personnel		1,638,168	1,021,969	1,232,576
Pension and OPEB		138,163	2,127,860	(579,559)
Operating Expenses		1,014,848	1,091,136	805,579
	Total Operating Expenses	2,791,179	4,240,965	1,458,596
Operating Income (Loss)		(523,728)	(1,749,051)	1,280,054
Non-Operating Revenues (Expenses)				
Interest Income on Investments		48,785	56,066	123,729
Transfers from Other CHFFA Funds		(86,000)	6,090,036	-
	Change in Net Position	(560,943)	4,397,051	1,403,783
Fund Balance, Beginning of Year, as Previously Reported		11,230,234	6,833,183	5,429,400
Restatement		46,709	-	-
Fund Balance, Beginning of Year, as Restated		11,276,943	-	-
Net Position - End of Year		$ 10,716,000	$ 11,230,234	$ 6,833,183

For the fiscal year ended June 30, 2022, Change in Net Position of negative $560,943 reflects a substantial decrease from fiscal year ended June 30, 2021, in the amount of $4,397,051. However, in fiscal year ended June 30, 2021, CHFFA received a one-time cash transfer, Transfers from Other CHFFA Funds, of $6,090,036 from the closure of the California Health Access Model Program (CHAMP) and the closed CHFFA Community Clinic Grant Program of 2005 subfund (Anthem-Wellpoint), resulting in a true loss of negative $1,692,985. Therefore, there is effectively an improvement in operations. Although there was a total reduction in Fee Revenue, there was a larger decline in total operating expenses due to a significant decline in Pension and OPEB expenses. Pension and OPEB expenses declined substantially from $2,127,860 for the fiscal year ended June 30, 2021, to $138,163 for the fiscal year ended June 30, 2022. The decline in Pension and OPEB expense was due to a smaller portion of the pension liability being allocated and the reduction in the State Controller's Office annual allocation of OPEB liability to CHFFA. In fiscal year ended June 30, 2022, there was a negative $86,000 Transfer from Other CHFFA Funds, which was a transfer to the General Fund in connection with the Senate Bill 84 (SB 84) loan payable. During the fiscal year ended June 30, 2018, the Surplus Money Investment Fund (SMIF) made a contribution to the Retirement Plan on CHFFA's behalf, as required by SB 84, to fund future Net Pension Liabilities. For this contribution, CHFFA established a loan payable to SMIF as required by SB 84, which CHFFA must repay by June 30, 2030. The substantial decrease in Net Position, End of Year from the $11,230,234 for the fiscal year ended June 30, 2021 to $10,716,000 for the fiscal year ended June 30, 2022 is due to the reasons mentioned above.

The ***Statements of Cash Flows*** provide information about CHFFA's cash receipts and cash payments during the fiscal years ended June 30, 2022,2021, and 2020. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, noncapital financing, and investment activities. The statements provide answers to questions of where cash came from, what cash was used for, and what caused changes in cash for the reporting period covered (see Table 3).

Table 3
Statements of Cash Flows

	2022	2021	2020
Cash Flows From Operating Activities			
Net Cash Provided (Used) by Operating Activities	$ 1,415,758	$ (1,654,756)	$ 1,360,643
Cash Flows from Noncapital Financing Activities			
Net Cash Provided (Used) by Noncapital Financing Activities	$ (45,751)	$ -	$ -
Cash Flows from Investing Activities			
Net Cash Provided (Used) by Investing Activities	$ (50,949)	$ 6,156,554	$ 137,756
Net Increase (Decrease) in Cash and Cash Equivalents	1,319,058	4,501,798	1,498,399
Cash and Cash Equivalents at the Beginning of the Year	12,755,108	8,253,310	6,754,911
Cash and Cash Equivalents at End of the year	$ 14,074,166	$ 12,755,108	$ 8,253,310

The Cash and Cash Equivalents increased from $12,755,108 for fiscal year ended June 30, 2021 to $14,074,166 for fiscal year ended June 30, 2022. In fiscal year ended June 30, 2021, the negative $1,654,756 net cash used by CHFFA's operating activities was offset due to the cash provided by investing activities, primarily the one-time cash inflow from previously discussed closure of both the CHAMP and Anthem-Wellpoint programs (see Table 2, Other Sources, Transfers from Other Funds). In fiscal year ended June 30, 2022, net cash provided by operating activities significantly improved to a positive $1,415,758, which is the result of enhanced collection activities and a reduction in cash payments to suppliers. For the fiscal year ended June 30, 2022, the net cash used by noncapital financing activities was a negative $45,751 due to CHFFA making a payment on its SB 84 loan. For the fiscal year ended June 30, 2022, the net cash used by investing activities declined to a negative $50,949 due to an $86,000 transfer to the General Fund, SB 84 loan (see Table 2, Other Sources, Transfers from Other Funds).

ANALYSIS OF FISCAL YEAR 2021/2022 ACTIVITIES

Applications Received:	**2**
Final Resolutions Adopted:	**3**
Bonds Sold:	**$2,470,390,00**

ANALYSIS OF FISCAL YEAR 2020/2021 ACTIVITIES

Applications Received:	**5**
Final Resolutions Adopted:	**5**
Bonds Sold:	**$1,503,410,000**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CHFFA's financial position and is intended for distribution to a variety of interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, California Health Facilities Financing Authority, 901 P Street, Suite 313, Sacramento, California 95814.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF NET POSITION

June 30, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 14,074,166
Accounts receivable	1,291,370
Interest receivable	23,848
Due from external funds	408,642
TOTAL CURRENT ASSETS	15,798,026
NON-CURRENT ASSETS:	
Capital assets, net	2,113
TOTAL ASSETS	15,800,139
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of resources - pension activities	464,029
Deferred outflow of resources - other postemployment benefits (OPEB)	260,464
	724,493
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 16,524,632
CURRENT LIABILITIES	
Accounts payable	33,096
Due to external funds	129,798
Due to other governments	300
Accrued compensated absences, due within one year	51,621
TOTAL CURRENT LIABILITIES	214,815
NONCURRENT LIABILTIES	
Long-term accrued compensated absences	259,346
Loan payable	95,223
Net pension liability	1,473,174
Other postemployment benefits (OPEB) liability	2,511,804
TOTAL NON-CURRENT LIABILITIES	4,339,547
TOTAL LIABILITIES	4,554,362
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of resources - pension activities	812,793
Deferred inflow of resources - other postemployment benefits (OPEB)	441,477
	1,254,270
NET POSITION	
Net investment in capital assets	2,113
Restricted for health facilities financing	10,713,887
TOTAL NET POSITION	10,716,000
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 16,524,632

The accompanying notes are an integral part of these financial statements.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2022

OPERATING REVENUES	
Fee revenue	$ 2,267,451
TOTAL OPERATING REVENUES	2,267,451
OPERATING EXPENSES	
Salaries and wages	1,130,354
Benefits and other personnel related	507,814
Pension and OPEB	138,163
Operating expenses	1,014,848
TOTAL OPERATING EXPENSES	2,791,179
OPERATING LOSS	(523,728)
NONOPERATING REVENUES (EXPENSES)	
Interest and investment income	48,785
Transfers from other CHFFA funds	(86,000)
TOTAL NONOPERATING REVENUES	(37,215)
CHANGE IN NET POSITION	(560,943)
Fund balance, beginning of year, as previously reported	11,230,234
Restatement	46,709
Fund balance, beginning of year, as restated	11,276,943
NET POSITION, END OF YEAR	$ 10,716,000

The accompanying notes are an integral part of these financial statements.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from fees	$ 4,102,051
Cash paid to suppliers	(1,026,860)
Cash paid to employees	(1,659,433)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,415,758
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
SB 84 loan payment	(45,751)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(45,751)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment income received	35,051
Amounts Transferred From (To) Other Funds	(86,000)
NET CASH USED BY INVESTING ACTIVITIES	(50,949)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,319,058
Cash and cash equivalents at the beginning of the year	12,755,108
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 14,074,166
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	$ (523,728)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:	
Depreciation	1,207
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	1,579,986
(Increase) decrease in due from other funds	254,614
Increase (decrease) in accounts payable and accrued liabilities	(46,766)
Increase (decrease) in due to other funds	33,247
Increase (decrease) in due to other governments	300
Increase (decrease) in accrued vacation	(21,265)
Increase (decrease) in net pension liability	(1,061,085)
Increase (decrease) in net OPEB liability	324,246
Increase (decrease) in deferred inflows/outflows	875,002
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,415,758

The accompanying notes are an integral part of these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CHFFA's Bond Program have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Bond Program are described below.

Organization and Reporting Entity: The California Health Facilities Financing Authority (CHFFA) was created in 1979 and operated pursuant to the California Health Facilities Financing Authority Act (codified in the California Government Code Sections 15430-15463). CHFFA is a public instrumentality of the State of California, authorized and empowered by the provisions of the CHFFA Act for the purpose of providing financial assistance to eligible and creditworthy nonprofit and public health facilities in California through loans funded by the issuance of tax-exempt bonds, low-cost loans, and direct grant programs to promote important California health access, healthcare improvement and cost containment objectives. The CHFFA Bond Financing Program (CHFFA Bond Program) was established to carry out these objectives. The diverse nature of the facilities funded by the CHFFA Bond Program reflects the changing health care needs of California. From rural community-based organizations to large multi-hospital systems, the CHFFA Bond Program has financed a wide range of providers and programs throughout California. The Bond Financing Program Fund is a subaccount within CHFFA.

CHFFA's enabling legislation guides the specific types of eligible entities, covering a wide range of entities, including without limitation, acute care and psychiatric hospitals, specialty centers, intermediate and skilled nursing care facilities, clinics and adult day health centers. The legislation also addresses project eligibility (including without limitation, construction, expansion, remodeling, renovation, and refinances), in addition to the make-up and responsibility of the nine-member board. Additional information regarding CHFFA's Bond Program can be accessed at:

https://www.treasurer.ca.gov/chffa/programs/bond.asp.

The Bond Program is one of many programs administered by CHFFA. Other State agencies, such as the State Treasurer's Office and the State Controller's Office, support CHFFA by providing services and thus allocate a portion of their expenses to CHFFA. CHFFA allocates its portion of such expenses to its different programs along with any direct costs associated with each program. Thus, the accompanying financial statements of CHFFA's Bond Program are not indicative of CHFFA's financial position or net assets as a whole but only of that portion of CHFFA's financial statements related to the Bond Program.

Basis of Presentation – Fund Accounting: The Bond Program's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

The Bond Program uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principle operations of the Bond Program. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from non-exchange transactions or ancillary activities.

Cash and Cash Equivalents: The Bond Program's cash and cash equivalents are considered cash and short-term investments that are held on deposit with the State Controller's Office. Cash receipts and disbursements of CHFFA are made through a cash pool maintained by the State Controller.

Accounts Receivable: Accounts receivable consist primarily of initial and annual administration fees receivable from conduit bond financing borrowers. Accounts receivable are reported net of allowance for doubtful accounts of $33,945 as of June 30, 2022. Management's estimate of the allowance is based on historical collection experience and a review of the current status of fees receivable.

Due from External Funds: Due from external funds represents short-term funding by CHFFA's Bond Program to other CHFFA programs until funding is established to reimburse the Bond Program.

Capital Assets: Capital assets are recorded at cost and consist of furniture, fixtures and equipment and software. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 10 years.

Net Position: Net position is categorized as net investment in capital assets, restricted and unrestricted. As of June 30, 2022, all of the net position of the Bond Program are classified as restricted by enabling legislation for purposes specified in the Act and as described in Note A.

General and Administrative Expenses: CHFFA is subject to an allocation of intradepartmental support costs in accordance with an agreement between CHFFA and the State Treasurer's Office (STO). CHFFA records these costs as invoiced by STO for the fiscal year and allocates the costs to its different programs. However, the allocation is subject to review and adjustment subsequent to year-end. All adjustments are included on the STO invoices and recorded in the period in which the adjustment is identified.

Compensated Absences: CHFFA accrues unpaid vacation, personnel holiday, excess hours, compensating hours, holiday credit and personal leave that is payable when employees separate from employment. Unused vacation may be accumulated up to a specified maximum and is paid at the time of termination from employment. Unused sick leave balances are not included in the liability because they do not vest to employees. Additional information on compensated absences is contained in the financial statements of the State of California for the year ended June 30, 2022.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows and Outflows: The statement of net position includes a separate section for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditures/expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to CHFFA's pension plan under GASB 68 as described in Note F and OPEB plan under GASB Statement No. 75 as described in Note G.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of CHFFA's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms). Investments are reported at fair value.

Other Postemployment Benefits Plan (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of CHFFA's portion of the State Substantive Plan (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, the OPEB benefit payments are recognized when currently due and payable in accordance with the OPEB benefit terms. Investments are reported at fair value.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for the Bond Program's year ended June 30, 2023.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this statement are effective for years beginning after December 15, 2023.

CHFFA continues to analyze the impact of the required implementation of these new statements, however, CHFFA expects no significant impact.

NOTE B – CASH AND INVESTMENTS

Deposits in SMIF: The Bond Program's cash is held in the State's Surplus Money Investment Fund (SMIF). SMIF is part of the State's Pooled Money Investment Account (PMIA), which as of June 30, 2022 had a balance of $240.4 billion. The weighted average maturity of PMIA investments was 311 days as of June 30, 2022. The total amount of deposits in SMIF was $71.2 billion as of June 30, 2022. All of the resources of SMIF are invested through the Pooled Money Investment Board and is administered by the office of the State Treasurer. The fair value of the Bond Program's investment in this pool is reported in the accompanying financial statements at amounts based up on the Bond Program's pro-rata share of the fair value provided by SMIF for the entire SMIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by SMIF, which are recorded on an amortized cost basis. As of June 30, 2022, CHFFA's Bond Program invested funds in SMIF in the amount of $14,055,000.

Disclosures regarding interest rate risk, credit risk, concentration of credit risk, custodial risk and other additional detailed disclosures required by GASB regarding cash deposits and investments, are presented in the financial statements of the State of California for the year ended June 30, 2022.

NOTE C – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Fixtures, furniture and equipment	$ 27,070			$ 27,070
Accumulated depreciation	(23,750)	$ (1,207)		(24,957)
NET CAPITAL ASSETS	$ 3,320	$ (1,207)	$ -	$ 2,113

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity of the Bond Program for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Repayments	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 332,232	$ 154,045	$ (123,689)	$ 310,967	$ 51,621
Loan payable	140,974		(45,751)	95,223	
Net pension liability	2,534,259		(1,061,085)	1,473,174	
OPEB liability	2,187,558	324,246		2,511,804	
	$ 5,195,023	$ 478,291	$ (1,230,525)	$ 4,391,168	$ 51,621

NOTE D – LONG-TERM LIABILITIES (Continued)

Loan Payable: During the fiscal year ended June 30, 2018, SMIF made a contribution to the Plan on behalf of CHFFA, as required by Senate Bill No. 84, Chapter 50, Statutes of 2017 (SB 84), to fund future Net Pension Liabilities. CHFFA established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by CHFFA by June 30, 2030. The outstanding balance on the loan payable as of June 30, 2022 was $95,223.

NOTE E – CONDUIT FINANCING ACTIVITY

CHFFA acts as a conduit by assisting eligible borrowers with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds. The financings are secured by the full faith and credit of the participating institutions, and CHFFA has no obligation for the repayment of the bonds beyond the resources provided by the participating institution. As a result, the financing obligations are not recorded in CHFFA's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty. At June 30, 2022, the aggregate amount of CHFFA's conduit debt obligations outstanding issued on behalf of program participants totaled $17,768,236,553.

CHFFA's conduit financing activity for the year ended June 30, 2022 is as follows:

Qualified Private Activity Debt	Debt issued during fiscal year 2022 (third party debt)	Debt outstanding at June 30, 2022 (third party debt)
Qualified 501(c)(3) Nonprofit - Hospital and Health Care Bonds	$ 2,470,390,000	$ 17,768,236,553
	$ 2,470,390,000	$ 17,768,236,553

NOTE F – EMPLOYEE RETIREMENT PLAN

Plan Descriptions: All qualified employees are eligible to participate in CHFFA's agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Departments and agencies within the state, including CHFFA, are in a cost-sharing arrangement in which all risks and costs are shared proportionately by participating state agencies. Since all state agencies and certain related organizations including CHFFA, are considered collectively to be a single employer for plan purposes, the actuarial present value of vested and non-vested accumulated plan benefits attributable to the CHFFA employees cannot be determined. The significant actuarial assumptions used to compute the actuarially determined state contribution requirements are the same as those used to compute the state pension benefit obligation as defined by CalPERS. CHFFA has the following rate plans:

- Miscellaneous Plan Tier 1
- Miscellaneous Plan Tier 2

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

The California Legislature passed, and the Governor signed, the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by state statute. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members become fully vested in their retirement benefits earned to date after five or ten years of credited service.

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous Plan Tier 1		
Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.000%	8.000%	8.000%
Required employer contribution rates	31.43%	31.43%	31.43%

	Miscellaneous Plan Tier 2	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	0.5% to 1.25%	0.65% to 1.25%
Required employee contribution rates	0.000%	0.000%
Required employer contribution rates	31.43%	31.43%

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. CHFFA's Bond Program is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, contributions to the Plan were $283,704.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2022, the Bond Program reported net pension liabilities of $1,473,174 for its proportionate share of the net pension liability of the Plan.

The Bond Program's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2021 using standard update procedures. The Bond Program's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Bond Program's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Proportionate share - June 30, 2021	0.006609%
Proportionate share - June 30, 2020	0.007290%
Change - Increase (Decrease)	-0.000681%

For the year ended June 30, 2022, the Bond Program recognized a pension credit of $248,675.

At June 30, 2022, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 283,704	
Change in assumptions		$ (2,220)
Differences between actual and expected experience	94,335	
Change in employer's proportion	85,990	(188,315)
Net differences between projected and actual earnings on plan investments		(622,258)
Total	$ 464,029	$ (812,793)

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

The $283,704 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2023	$ (101,458)
2024	(163,149)
2025	(191,518)
2026	(176,343)
	$ (632,468)

Actuarial Assumptions: The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Mortality	)erived using CALPERS' membership data for all funds (1)

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that

Post-retirement benefit increases are based on contract COLA up to 2.50% until Purchasing Power Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% for the June 30, 2021 measurement date. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website.

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11 + years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		(0.92)%
Total	100.0%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Bond Program's proportionate share of the net pension liability, calculated using the discount rate, as well as what the Bond Program's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Net Pension Liability	$ 2,482,381	$ 1,473,174	$ 627,134

Pension Plan Fiduciary Net Position: Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE G – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description: The State also provides postemployment medical and prescription drug benefits to employees and dependents through CalPERS under the Public Employees' Medical and Hospital Care Act, and dental benefits under the State Employees' Dental Care Act. Benefits are set and may be amended by the State. The OPEB Plan is an agent multiple-employer defined benefit OPEB plan administered by the State. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The State has identified 25 separate valuation groups within the State Plan. For each agency and/or fund, the State Controller's Office (SCO) determined the proportion of pensionable compensation attributable to employees within these valuation groups. SCO then used these proportions to allocate the OPEB accounting elements from the June 30, 2021 State of California Retiree Health Benefits Program Actuarial Valuation Report to State agencies and their funds.

Benefits Provided: In accordance with the California Government Code, the State generally pays 100% of the health insurance premium cost for annuitants, plus 90% of the additional premium required for the enrollment of family members of annuitants. The State generally pays all or a portion of the dental insurance premium cost for annuitants, depending upon the completed years of credited state service at retirement and the dental coverage selected. The maximum 2021 monthly State contribution was $798 for one-party, $1,519 for two-party coverage, and $1,937 for family coverage. To be eligible for these benefits, primary government first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment to be eligible to receive these benefits.

Contributions: The design of the postemployment health and dental benefit programs can be amended by the CalPERS Board of Administration and the California Department of Human Resources, respectively. Employer and retiree contributions are governed by the State and may be amended by the Legislature.

CHFFA participates in the State's Plan on a cost-sharing basis. The State funds the cost of providing health and dental insurance to annuitants primarily on a pay-as-you-go basis. The State obtains an annual actuarial valuation of the State's Plan which can be found on the SCO's website, at www.sco.ca.gov. Contributions to the State's Plan from the Bond Program were $91,836 for the fiscal year ended June 30, 2022.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: At June 30, 2022, the Bond Program reported a liability of $2,511,804 for its proportionate share of the State's Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Bond Program's proportionate share, based on its attributable employee valuation groups pensionable compensation, as of June 30, 2021 was 0.003495%.

For the fiscal year ended June 30, 2022, the Bond Program recognized OPEB expense of $386,838. The SCO's policy is to fully expense each year's proportionate share change adjustment. CHFFA followed this policy and fully expensed its proportionate share change adjustment. At June 30, 2022, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE G – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 91,836	
Changes in assumptions	167,487	$ (107,733)
Changes in non-investment experience	557	(325,932)
Changes in investment experience	584	(7,812)
Total	$ 260,464	$ (441,477)

The $91,836 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the Bond Program's OPEB expense as follows:

Year Ending June 30	
2023	$ (92,280)
2024	(82,880)
2025	(52,292)
2026	(12,755)
2027	(13,901)
Thereafter	(18,741)
	$ (272,849)

Actuarial Assumptions: For the measurement period ended June 30, 2021 (the measurement date), the total OPEB liability was determined using a June 30, 2020 valuation date. The June 30, 2020 beginning total OPEB liability was determined by rolling back the June 30, 2021 total OPEB liability. The June 30, 2021 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	Blended rate consisting of 6.00% when assets are available to pay benefits, otherwise 20-year Municipal G.O. Bond AA Index rate of 1.92%
Inflation	2.30%
Payroll Growth	2.30%
Salary Increases	Varies by entry age and service
Health care cost trend rates	*Pre-Medicare coverage and Post-Medicare coverage*: Actual rates for 2022, increasing to 7.50% in 2023, graded down over a six-year period until a trend rate of 4.50% in 2029, remains at 4.50% for nine years until the ultimate rate of 4.25% is reached in 2038. *Dental coverage*: 0.00% in 2022, 2.00% for 2023, 3.00% for 2024, 4.00% for 2025, and 4.25% for 2026 and beyond.
Mortality Rate Table	Derived using CalPERS' Membership data for all members

NOTE G – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% Scale MP 2016. For more details on this table, refer to the 2017 *CalPERS Experience Study and Review of Actuarial Assumptions* report (Experience Study) for the period from 1997 to 2015. Other demographic assumptions used in the June 30, 2019 valuation were also based on the results of the Experience Study, including updates to termination, disability, mortality assumptions, and retirement rates. The Experience Study report can be obtained from CalPERS' website at www.calpers.ca.gov.

Healthcare related assumptions such as plan participation, aging factors, adjustments for disabled members, and adjustments for children of current retirees and survivors are based on the 2018 experience study performed by Gabriel, Roeder, Smith and Company (GRS) for the period from 2014 to 2018. Other healthcare assumptions such as member healthcare plan selection, coverage and continuance, select and ultimate healthcare cost trend rates, and per capita claim costs and expenses, are based on the most current information available. A copy of the GRS experience study available at www.sco.ca.gov.

Changes in Assumptions: For the actuarial valuation as of June 30, 2021, healthcare related assumptions, including per capita healthcare cost and healthcare trend rates, were updated based on experience through June 30, 2021. The discount rate was 6.75% and 6.00% and the inflation rate was increased from 2.25% to 2.30% as of June 30, 2022.

Discount Rate: The blended rates used to measure the June 30, 2021 total OPEB liability consist of the 20-year Municipal G.O. Bond AA Index rate of 1.92% as of June 30, 2021, as reported by Fidelity, when prefunding assets are not available to pay benefits, and 6.00% when prefunding assets are available to pay benefits. The cash flow projections used to calculate the blended discount rates were developed assuming that prefunding agreements in which actuarial determined normal costs are shared between employees and the State will continue and that the required contributions will be made on time as scheduled in future years. The prefunding agreements are subject to collective bargaining and legislative approval.

Detailed information on the blended discount rates by valuation group is available in the *State of California Retiree Health Benefits Program GASB Nos. 74 and 75 Actuarial Valuation Report as of June 30, 2021*, on the State Controller's Office website, at www.sco.ca.gov.

The long-term expected rate of return on OPEB plan investments was determined by Gabriel, Roeder, Smith & Company using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Expected compound (geometric) real returns were calculated over a closed period. Based on separate expected real returns for the short-term (first 10 years) and the long-term (11-40 years), and an average inflation assumption of 2.30%, a single expected nominal return rate of 6.00% was calculated for the combined short-term and long-term periods. If applied to expected cash flows during that period, the resulting present value of benefits is expected to be consistent with the present value of benefits that would be determined by applying the short and long-term expected rates to the same cash flows.

NOTE G – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The following table reflects the long-term expected real rate of return by asset class.

Asset Class	Target Asset Allocation	Real Return Years 1 - 10	Real Return Years 11 - 4(
Global Equity	59.0%	4.80%	5.98%
Fixed Income	25.0%	1.10%	2.62%
Treasury Inflation-Protected Securitie	5.0%	0.25%	1.46%
Real Estate Investment Trusts	8.0%	3.50%	5.00%
Commodities	3.0%	1.50%	2.87%

Changes in the Net OPEB Liability: The change in net OPEB liability for the plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan fiduciary Net Position	Net OPEB Liability/(Asse
Balance at June 30, 2021	$2,222,777	$ 35,219	$2,187,558
Changes for the year:			
Service cost	93,301		93,301
Interest on the total OPEB liability	80,931		80,931
Contribution - employer		75,770	(75,770)
Net investment income		13,029	(13,029)
Difference between expected actual experience	(194,393)		(194,393)
Change in assumption	100,724		100,724
Employer prefunding conribution		18,825	(18,825)
Proportionate share allocation	357,053	5,764	351,289
Administrative expense		(18)	18
Benefit payments	(75,770)	(75,770)	
Net changes	361,846	37,600	324,246
Balance at June 30, 2022	$2,584,623	$ 72,819	$2,511,804

Sensitivity of the Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate: The following presents the Bond Program's proportionate share of the net OPEB liability, as well as what the Bond Program's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$2,142,121	$2,511,804	$2,971,828

NOTE G – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Proportionate Share of the Total OPEB Liability to Changes in Healthcare Costs Trend Rates: The following presents the Bond Program's proportionate share of the net OPEB liability, as well as what the Bond Program's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$3,040,696	$2,511,804	$2,103,492

OPEB Plan Fiduciary Net Position: Detailed information about the State's Plan fiduciary net position is available on CalPERS website in an annual report titled "California Employers' Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, Schedule of Changes in Fiduciary Net Position by Employer."

NOTE I – RESTATEMENTS

During the year ended June 30, 2022, the District discovered that the principal repayment for the SB 84 SMIF loan was not properly recognized as a reduction of the loan liability in the Statement of Net Position. The amount was reported in the prior fiscal year as an expense in the Statement of Revenues, Expenses, and Changes in Net Position. As a result of correcting this error, the District's net position for the year ended June 30, 2021 was revised as follows:

	Net Position as of June 30, 2021
As originally reported	$ 11,230,234
Principal payments recognized as reduction in loan liability	46,709
As restated	$ 11,276,943

REQUIRED SUPPLEMENTARY INFORMATION

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SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)
Last 10 Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.006609%	0.007290%	0.007237%	0.006468%	0.006921%	0.007373%	0.007546%	0.005999%
Proportionate share of the net pension liability	$ 1,473,174	$ 2,534,259	$ 2,434,049	$ 2,031,855	$ 2,528,699	$ 2,441,532	$ 2,131,122	$ 1,513,015
Covered payroll - measurement period	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232	$ 877,791	$ 668,857
Proportionate share of the net pension liability as a percentage of covered payroll	125.48%	256.11%	258.08%	251.45%	303.83%	297.66%	242.78%	226.21%
Plan fiduciary net position as a percentage of the total pension liability	82.39%	71.51%	71.34%	71.83%	66.42%	66.81%	70.68%	73.05%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes effective after June 30, 2014 as they have minimal cost impact.

Changes in assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016 and to 7.15% in 2017 and remained 7.15% in 2018, 2019, 2020 and 2021.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (UNAUDITED)
Last 10 Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 283,704	$ 250,120	$ 305,200	$ 274,072	$ 236,613	$ 249,662	$ 200,708	$ 186,885
Contributions in relation to the actuarially determined contributions	(283,704)	(250,120)	(305,200)	(274,072)	(484,930)	(249,662)	(200,708)	(186,885)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (248,317)	$ -	$ -	$ -
Covered payroll - fiscal year	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232	$ 877,791
Contributions as a percentage of covered - employee payroll	26.65%	21.30%	30.84%	29.06%	29.28%	30.00%	24.47%	21.29%

Notes to Schedule:

Valuation Date:	June 30, 2020	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:								
Acturial cost method					Entry age normal			
Amortization method					Level percentage of payroll, closed			
Remaining amortization period					Varies, not more than 30 years			
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50%	2.50%	2.625%	2.50%	2.75%	2.75%	2.75%	2.75%
Salary increases					Varies by entry age and service			
Payroll growth	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.15% (1)	7.15% (1)	7.25% (1)	7.375% (1)	7.50% (1)	7.50% (1)	7.50% (1)	7.50% (1)

Notes to Schedule:

(1) Net of administrative expenses, includes inflation.

Omitted years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022

SCHEDULE OF CHFFA BOND PROGRAM'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (UNAUDITED)
Last 10 Years

Measurement Period	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.003495%	0.002824%	0.001843%	0.005013%	0.006970%
Proportiate share of the net OPEB liability	$ 2,511,804	$ 2,187,558	$ 712,140	$ 1,545,397	$ 3,747,063
Covered-employee payroll	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	213.94%	221.07%	75.51%	191.25%	450.22%
Plan fiduciary net position as a percentage of the total OPEB liability	2.817%	2.748%	1.690%	1.011%	0.546%
Notes to schedule:					
Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement period - fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Change of benefit terms - For the measurement date ended June 30, 2021, there were no changes to the benefit terms.

Change in assumptions - For the measurement period ended June 30, 2021, healthcare-related assumptions were updated based on experience through June 30, 2021.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)
Last 10 Years

Measurement Period	2022	2021	2020	2019	2018
Contractually required contribution	$ 91,836	$ 106,521	$ 85,399	$ 21,712	$ 71,429
Contributions in relation to the contractually required contributions	(91,836)	(106,521)	(85,399)	(21,712)	(71,429)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058
Contributions as a percentage of covered payroll	8.63%	9.07%	8.63%	2.30%	8.84%

Notes to Schedule:

Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement period - fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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SUPPLEMENTARY INFORMATION

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CHFFA OUTSTANDING BOND ISSUES
AS OF June 30, 2022

Issue Name	Type	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Defeased/Retired		Bonds Outstanding as of June 30, 2022
Insured Cal Pool: Feedback, Olive Crest & So. CA Alcohol & Drug Programs, 1992 Series A	PUBLIC	1992-Dec-01	2022-Dec-01	$ 5,735,000	$ 5,580,000		$ 155,000
Memorial Health Services Variable Rate Refunding Bonds, Series 1994	PUBLIC	1994-Mar-01	2024-Oct-01	$ 85,000,000	$ 68,200,000		$ 16,800,000
Adventist Health System/West, 1998 Series B	PUBLIC	1998-Feb-18	2028-Sep-01	$ 42,200,000	$ 25,700,000		$ 16,500,000
San Fernando Valley Community Mental Health Center, Inc., 1998 Series A	PUBLIC	1998-Jun-01	2023-Jun-01	$ 3,700,000	**$ 3,435,000**	**R**	$ 265,000
Scripps Health, 2001 Series A	PUBLIC	2001-Jul-10	2023-Oct-01	$ 60,000,000	$ 54,700,000		$ 5,300,000
Kaiser Permanente, 2006 Series C [RE-OFFERED Oct. 31, 2019]	PUBLIC	2006-Jun-08	2041-Jun-01	$ 325,000,000	$ 73,800,000		$ 251,200,000
Kaiser Permanente, 2006 Series E	PUBLIC	2006-Jun-08	2040-Nov-01	$ 175,000,000	$ 0		$ 175,000,000
Stanford Hospital and Clinics, 2008 Series B-1	PUBLIC	2008-Jun-02	2045-Nov-15	$ 84,100,000	$ 0		$ 84,100,000
Stanford Hospital and Clinics, 2008 Series B-2 [RE-OFFERED on June 15, 2011, two subseries (1,2) each $42,050,000]	PUBLIC	2008-Jun-02	2045-Nov-15	$ 84,100,000	$ 0		$ 84,100,000
Adventist Health System/West, 2009 Series B	PUBLIC	2009-May-20	2038-Sep-01	$ 30,000,000	$ 0		$ 30,000,000
St. Joseph Health System, 2009 Series C [RE-OFFERED on Oct. 16, 2015]	PUBLIC	2009-Aug-27	2034-Jul-01	$ 110,540,000	$ 19,080,000		$ 91,460,000
St. Joseph Health System, 2009 Series D [RE-OFFERED on Oct. 18, 2016]	PUBLIC	2009-Aug-27	2034-Jul-01	$ 56,150,000	$ 16,600,000		$ 39,550,000
Scripps Health, 2010 Series B	PUBLIC	2010-Feb-04	2040-Oct-01	$ 60,000,000	$ 0		$ 60,000,000
Scripps Health, 2010 Series C	PUBLIC	2010-Feb-04	2040-Oct-01	$ 40,000,000	$ 0		$ 40,000,000
Community Program for Persons with Developmental Disabilities, 2011 Series A	PUBLIC	2011-Feb-17	2026-Feb-01	$ 44,725,000	$ 29,010,000		$ 15,715,000
Community Program for Persons with Developmental Disabilities, 2011 Series B	PUBLIC	2011-Feb-17	2026-Feb-01	$ 32,245,000	$ 20,265,000		$ 11,980,000
Adventist Health System/West, Series 2011A	PRIVATE	2011-Jun-09	2041-Mar-01	$ 130,000,000	$ 51,330,000		$ 78,670,000
TLC Child & Family Services, Series 2011	PUBLIC	2011-Oct-07	2025-Sep-01	$ 2,475,000	$ 1,855,000		$ 620,000
Beacon House Association of San Pedro (The), Series 2011	PUBLIC	2011-Oct-20	2023-Dec-01	$ 1,505,000	$ 1,210,000		$ 295,000
Catholic Healthcare West, 2011 Series B	PUBLIC	2011-Nov-09	2047-Mar-01	$ 75,000,000	$ 0		$ 75,000,000
Catholic Healthcare West, 2011 Series C	PUBLIC	2011-Nov-09	2047-Mar-01	$ 75,000,000	$ 0		$ 75,000,000
Gateways Hospital and Mental Health Center, 2011 Series A	PUBLIC	2011-Dec-01	2036-Dec-01	$ 5,000,000	$ 0		$ 5,000,000
Gateways Hospital and Mental Health Center, 2011 Series B	PUBLIC	2011-Dec-01	2024-Dec-01	$ 3,085,000	$ 2,285,000		$ 800,000
Scripps Health, Series 2012A	PUBLIC	2012-Feb-01	2040-Nov-15	$ 175,000,000	$ 2,200,000		$ 172,800,000
Scripps Health, Series 2012B	PUBLIC	2012-Feb-01	2042-Oct-01	$ 60,000,000	$ 0		$ 60,000,000
Scripps Health, Series 2012C	PUBLIC	2012-Feb-01	2042-Oct-01	$ 40,000,000	$ 0		$ 40,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series A	PUBLIC	2012-Mar-21	2051-Aug-15	$ 200,000,000	$ 0		$ 200,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series B	PUBLIC	2012-Mar-21	2027-Aug-15	$ 51,045,000	$ 22,325,000		$ 28,720,000
Stanford Hospital and Clinics, 2012 Series A	PUBLIC	2012-May-23	2051-Aug-15	$ 340,000,000	$ 0		$ 340,000,000
Stanford Hospital and Clinics, 2012 Series B	PUBLIC	2012-May-23	2023-Aug-15	$ 68,320,000	$ 53,335,000		$ 14,985,000
Dignity Health, 2012 Series A	PRIVATE	2012-Jun-27	2028-Mar-01	$ 140,000,000	$ 4,000,000		$ 136,000,000
Children's Hospital Los Angeles, Series 2012A	PUBLIC	2012-Aug-15	2034-Nov-15	$ 120,760,000	$ 9,965,000		$ 110,795,000
Marshall Medical Center, Series 2012A	PUBLIC	2012-Sep-26	2022-Nov-01	$ 17,805,000	$ 16,270,000		$ 1,535,000
City of Hope, Series 2012A	PUBLIC	2012-Nov-14	2039-Nov-15	$ 234,635,000	$ 46,840,000		$ 187,795,000
Adventist Health System/West, Series 2013A	PUBLIC	2013-Feb-14	2043-Mar-01	$ 290,365,000	$ 58,795,000		$ 231,570,000
Paradise Valley Estates Project (NCROC), Series 2013	PUBLIC	2013-Apr-04	2026-Jan-01	$ 32,315,000	$ 20,470,000		$ 11,845,000
St. Joseph Health System, Series 2013A	PUBLIC	2013-Jul-24	2029-Jul-01	$ 324,840,000	$ 273,395,000		$ 51,445,000
St. Joseph Health System, Series 2013C	PUBLIC	2013-Jul-24	2043-Jul-01	$ 110,000,000	$ 0		$ 110,000,000
St. Joseph Health System, Series 2013D	PUBLIC	2013-Jul-24	2043-Jul-01	$ 110,000,000	$ 0		$ 110,000,000
Casa Colina, Series 2013	PUBLIC	2013-Sep-13	2032-Apr-01	$ 21,190,000	$ 7,550,000		$ 13,640,000
Memorial Health Services, Series 2013A	PUBLIC	2013-Nov-20	2043-Oct-01	$ 50,000,000	$ 0		$ 50,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series A	PUBLIC	2014-May-08	2043-Aug-15	$ 100,000,000	$ 0		$ 100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series B	PRIVATE	2014-May-08	2043-Aug-15	$ 100,000,000	$ 0		$ 100,000,000
Providence Health & Services, Series 2014A	PUBLIC	2014-Jun-26	2038-Oct-01	$ 275,850,000	$ 85,650,000		$ 190,200,000
Providence Health & Services, Series 2014B	PUBLIC	2014-Aug-06	2044-Oct-01	$ 118,740,000	$ 0		$ 118,740,000
Dignity Health, 2014 Series B	PRIVATE	2014-Oct-15	2025-Mar-01	$ 294,510,000	$ 0		$ 294,510,000
Lincoln Glen Manor for Senior Citizens, Series 2015	PUBLIC	2015-Feb-11	2036-Apr-01	$ 11,965,000	$ 955,000		$ 11,010,000
Marshall Medical Center, Series 2015	PUBLIC	2015-Apr-09	2033-Nov-01	$ 26,895,000	$ 3,415,000		$ 23,480,000
Northern California Presbyterian Homes and Services, Inc., Series 2015	PUBLIC	2015-Apr-15	2044-Jul-01	$ 63,210,000	$ 7,475,000		$ 55,735,000
El Camino Hospital, Series 2015A	PUBLIC	2015-May-07	2045-Feb-01	$ 160,455,000	$ 29,075,000		$ 131,380,000
Stanford Health Care 2015 Series A	PUBLIC	2015-Jun-30	2054-Aug-15	$ 100,000,000	$ 0		$ 100,000,000
Equipment Loan Program (BofA) AltaMed Health Services Corporation, Series 2015A	PRIVATE	2015-Sep-29	2022-Sep-29	$ 17,200,000	**$ 16,545,117**	**R**	$ 654,883
AltaMed Health Services Corporation, Series 2015A	PRIVATE	2015-Oct-01	2040-Oct-01	$ 90,560,000	$ 0		$ 90,560,000

CHFFA OUTSTANDING BOND ISSUES
AS OF June 30, 2022

Issue Name	Type	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Defeased/Retired		Bonds Outstanding as of June 30, 2022
AltaMed Health Services Corporation, Series 2015B	PRIVATE	2015-Oct-01	2035-Oct-01	$ 11,000,000	$ 0		$ 11,000,000
California-Nevada Methodist Homes, Series 2015	PUBLIC	2015-Oct-21	2045-Jul-01	$ 32,920,000	$ 3,325,000		$ 29,595,000
Cedars-Sinai Medical Center, Series 2015	PUBLIC	2015-Nov-17	2034-Nov-15	$ 370,220,000	$ 15,630,000		$ 354,590,000
Scripps Health, Series 2016A	PRIVATE	2016-Feb-29	2025-Oct-01	$ 50,000,000	$ 33,075,000		$ 16,925,000
Scripps Health, Series 2016B	PRIVATE	2016-Feb-29	2025-Oct-01	$ 100,000,000	$ 60,000,000		$ 40,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series A	PUBLIC	2016-Mar-31	2033-Aug-15	$ 76,975,000	$ 19,665,000		$ 57,310,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series B	PUBLIC	2016-Mar-31	2055-Aug-15	$ 100,000,000	$ 0		$ 100,000,000
Sutter Health, Series 2016B	PUBLIC	2016-Aug-17	2046-Nov-15	$ 748,610,000	$ 0		$ 748,610,000
Sutter Health, Series 2016C	PUBLIC	2016-Aug-17	2053-Aug-15	$ 100,000,000	$ 0		$ 100,000,000
Adventist Health System/West, Series 2016A	PUBLIC	2016-Sep-08	2039-Mar-01	$ 280,010,000	$ 61,755,000		$ 218,255,000
Petaluma Health Center, Inc., 2016 Series A	PUBLIC	2016-Sep-13	2040-Jun-01	$ 5,775,000	**$ 930,000**	**R**	$ 4,845,000
Providence St. Joseph Health, Series 2016A	PUBLIC	2016-Sep-28	2047-Oct-01	$ 448,165,000	$ 0		$ 448,165,000
Providence St. Joseph Health, Series 2016B-1	PUBLIC	2016-Sep-28	2036-Oct-01	$ 95,240,000	$ 0		$ 95,240,000
Providence St. Joseph Health, Series 2016B-2	PUBLIC	2016-Sep-28	2036-Oct-01	$ 95,245,000	$ 0		$ 95,245,000
Providence St. Joseph Health, Series 2016B-3	PUBLIC	2016-Sep-28	2036-Oct-01	$ 95,245,000	$ 0		$ 95,245,000
Casa Colina, Series 2016	PRIVATE	2016-Sep-30	2041-Apr-01	$ 36,400,000	$ 4,300,000		$ 32,100,000
Memorial Health Services, Series 2016A	PRIVATE	2016-Sep-30	2028-Oct-01	$ 50,000,000	$ 0		$ 50,000,000
Memorial Health Services, Series 2016B	PRIVATE	2016-Sep-30	2028-Oct-01	$ 65,000,000	$ 0		$ 65,000,000
Cedars-Sinai Medical Center, Series 2016A	PUBLIC	2016-Nov-09	2036-Aug-15	$ 267,420,000	$ 29,625,000		$ 237,795,000
Cedars-Sinai Medical Center, Series 2016B	PUBLIC	2016-Nov-09	2039-Aug-15	$ 402,305,000	$ 3,330,000		$ 398,975,000
Asian Community Center of Sacramento Valley, Inc., Series 2016	PUBLIC	2016-Nov-22	2037-Apr-01	$ 16,080,000	$ 2,860,000		$ 13,220,000
Dignity Health, Series 2016A	PRIVATE	2016-Dec-06	2042-Mar-01	$ 270,095,000	$ 0		$ 270,095,000
Scripps Health, Series 2017A	PRIVATE	2017-Jan-31	2031-Oct-01	$ 160,000,000	$ 0		$ 160,000,000
City of Hope, Series 2017A	PRIVATE	2017-Feb-10	2042-Nov-15	$ 32,680,000	$ 0		$ 32,680,000
City of Hope, Series 2017B	PRIVATE	2017-Feb-10	2042-Nov-15	$ 32,680,000	$ 0		$ 32,680,000
El Camino Hospital, Series 2017	PUBLIC	2017-Mar-14	2047-Feb-01	$ 292,435,000	$ 14,700,000		$ 277,735,000
Kaiser Permanente, Series 2017A	PUBLIC	2017-May-03	2051-Nov-01	$ 1,747,015,000	$ 0		$ 1,747,015,000
Kaiser Permanente, Series 2017B	PUBLIC	2017-May-03	2029-Nov-01	$ 75,385,000	$ 0		$ 75,385,000
Kaiser Permanente, Series 2017C	PUBLIC	2017-May-03	2031-Aug-01	$ 175,755,000	$ 0		$ 175,755,000
Kaiser Permanente, Series 2017D	PUBLIC	2017-May-03	2032-Nov-01	$ 128,320,000	$ 0		$ 128,320,000
Children's Hospital Los Angeles, Series 2017A	PUBLIC	2017-Jun-06	2049-Aug-15	$ 274,520,000	$ 0		$ 274,520,000
Children's Hospital Los Angeles, Series 2017B	PRIVATE	2017-Jun-06	2051-Aug-15	$ 52,180,000	$ 0		$ 52,180,000
Montecito Retirement Association, Series 2017B	PRIVATE	2017-Jun-22	2032-Jun-01	$ 16,000,000	**$ 1,056,482**	**R**	$ 14,943,518
Montecito Retirement Association, Series 2017C	PRIVATE	2017-Jun-22	2024-Jun-01	$ 6,000,000	**$ 4,199,641**	**R**	$ 1,800,359
Sutter Health, Series 2017A	PUBLIC	2017-Jul-06	2048-Nov-15	$ 434,460,000	$ 0		$ 434,460,000
Lucile Salter Packard Children's Hospital at Stanford, 2017 Series A	PUBLIC	2017-Aug-17	2056-Nov-15	$ 200,000,000	$ 9,060,000		$ 190,940,000
Stanford Health Care, 2017 Series A (Refunding)	PUBLIC	2017-Dec-28	2040-Nov-15	$ 454,200,000	$ 7,125,000		$ 447,075,000
Sutter Health, Series 2018A	PUBLIC	2018-Apr-04	2048-Nov-15	$ 619,025,000	$ 23,780,000		$ 595,245,000
LA BioMed, Series 2018	PUBLIC	2018-Aug-28	2048-Sep-01	$ 49,835,000	$ 1,280,000		$ 48,555,000
Equipment Loan Program (BofA) AltaMed Health Services Corporation, Series 2018A	PRIVATE	2018-Oct-30	2023-Oct-30	$ 20,000,000	**$ 14,352,208**	**R**	$ 5,647,793
Tarzana Treatment Centers, Series 2019A	PRIVATE	2019-Mar-20	2044-Jun-01	$ 8,865,000	$ 0		$ 8,865,000
Tarzana Treatment Centers, Series 2019B (Taxable)	PRIVATE	2019-Mar-20	2044-Jun-01	$ 4,635,000	**$ 590,000**	**R**	$ 4,045,000
City of Hope, Series 2019	PUBLIC	2019-Jul-31	2049-Nov-15	$ 334,905,000	$ 0		$ 334,905,000
Children's Hospital of Orange County, Series 2019A	PUBLIC	2019-Aug-06	2038-Nov-01	$ 88,390,000	$ 11,955,000		$ 76,435,000
Providence St. Joseph Health, Series 2019B	PUBLIC	2019-Oct-01	2039-Oct-01	$ 118,535,000	$ 0		$ 118,535,000
Providence St. Joseph Health, Series 2019C	PUBLIC	2019-Oct-15	2039-Oct-01	$ 323,760,000	$ 152,335,000		$ 171,425,000
Scripps Health, Series 2019A (Refunding)	PRIVATE	2019-Nov-15	2036-Nov-15	$ 99,360,000	$ 3,360,000		$ 96,000,000
No Place Like Home Program, Series 2019 (Social Bonds - Fed Taxable)	PUBLIC	2019-Nov-19	2034-Jun-01	$ 500,000,000	**$ 107,505,000**	**R**	$ 392,495,000
Stanford Health Care, 2020 Series A	PUBLIC	2020-Apr-01	2050-Aug-15	$ 170,120,000	$ 0		$ 170,120,000
Marshall Medical Center, Series 2020A	PUBLIC	2020-Apr-27	2050-Nov-01	$ 46,975,000	$ 0		$ 46,975,000
Marshall Medical Center, Series 2020B (Taxable)	PUBLIC	2020-Apr-27	2050-Nov-01	$ 21,900,000	$ 60,000		$ 21,840,000
PIH Health, Series 2020A	PUBLIC	2020-Oct-08	2050-Jun-01	$ 171,520,000	$ 0		$ 171,520,000
PIH Health, Series 2020B (Federally Taxable)	PUBLIC	2020-Oct-08	2047-Jun-01	$ 107,435,000	$ 0		$ 107,435,000
CommonSpirit Health, Series 2020A	PUBLIC	2020-Oct-28	2049-Apr-01	$ 577,060,000	$ 0		$ 577,060,000

CHFFA OUTSTANDING BOND ISSUES
AS OF June 30, 2022

Issue Name	Type	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Defeased/Retired		Bonds Outstanding as of June 30, 2022
No Place Like Home Program, Series 2020 (Social Bonds - Fed Taxable)	PUBLIC	2020-Nov-04	2035-Jun-01	$ 450,000,000	$ 69,000,000	R	$ 381,000,000
On Lok Senior Health Services, Series 2020 (Social Bonds)	PUBLIC	2020-Nov-19	2055-Aug-01	$ 39,680,000	$ 0		$ 39,680,000
Stanford Health Care, 2021 Series A	PUBLIC	2021-Apr-30	2054-Aug-15	$ 157,715,000	$ 0		$ 157,715,000
Children's Hospital of Orange County, Series 2021A	PUBLIC	2021-Aug-03	2041-Nov-01	$ 96,025,000	$ 260,000		$ 95,765,000
Children's Hospital of Orange County, Series 2021B	PUBLIC	2021-Aug-03	2038-Nov-01	$ 83,330,000	$ 0		$ 83,330,000
Cedars-Sinai Health System, Series 2021A	PUBLIC	2021-Dec-01	2051-Aug-15	$ 1,034,365,000	$ 0		$ 1,034,365,000
No Place Like Home Program, Series 2022 (Social Bonds - Fed Taxable)	PUBLIC	2022-Apr-07	2041-Jun-01	$ 1,050,000,000	$ 0		$ 1,050,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2022 Series A	PUBLIC	2022-May-17	2051-May-15	$ 206,670,000	$ 0		$ 206,670,000
				$ 47,187,147,017	$ 29,418,910,465		$ 17,768,236,553

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COMPLIANCE REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members
California Health Facilities Financing Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bond Program of the California Health Facilities Financing Authority (CHFFA) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated October 10, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bond Program's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bond Program's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bond Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

October 10, 2023

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

Finding 2021-001 – Timely and Accurate Financial Reporting

Condition: The CHFFA Bond Program's accounting close process was not adequate to prepare financial statements in an efficient and timely manner. The accounting records at the beginning of the audit were not accurate, resulting in several audit adjustments (outlined below). Additionally, financial information was not ready when audit fieldwork was originally scheduled, causing delays in the process.

An audit adjustment was made to increase revenue and increase accounts receivable by $152,238 for the annual administrative fees for the No Place Like Home (NPLH) Program that were recorded when billed, after June 30, 2021, rather than when earned. Additionally, an audit adjustment posted during the June 30, 2020, audit was not posted by CHFFA, necessitating a current year adjustment that increased accounts receivable, and increased net position by $87,500. This was also related to No Place Like Home Program administrative fees, which were not recorded in revenue by CHFFA until the payment was received in August 2022, although the administrative fees were related to the 19/20 fiscal year.

Status: The financial statement close process was significantly improved for fiscal year 2022.

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