CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

Audited Financial Statements

June 30, 2023 and 2022

(This page intentionally left blank.)

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

AUDITED FINANCIAL STATEMENTS

June 30, 2023 and 2022

TABLE OF CONTENTS

Independent Auditor's Report 1
Management's Discussion and Analysis........ 4

Basic Financial Statements

Statements of Net Position........ 9
Statements of Revenues, Expenses and Changes in Net Position........ 10
Statements of Cash Flows........ 11
Notes to the Basic Financial Statements........ 12

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability (Unaudited)........ 29
Schedule of Contributions to the Pension Plan (Unaudited)........ 29
Schedule of Changes in Total OPEB Liability and Related Ratios Last 10 Years (Unaudited)........ 30
Schedule of Contributions to the OPEB Plan Last 10 Years (Unaudited)........ 31

Supplementary Information

Schedule of Bonds Issued and Outstanding........ 32

Other Reports

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........ 33

(This page intentionally left blank.)

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

Board Members
California Educational Facilities Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the California Educational Facilities Authority (CEFA) as of and for the years ended June 30, 2023 and 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 CEFA as of June 30, 2023 and 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 audits 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 CEFA 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 CEFA'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 of CEFA'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 CEFA'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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CEFA's basic financial statements. The accompanying Schedule of Bonds Issued and Outstanding are presented for 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 on the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of CEFA'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 CEFA'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 CEFA's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 12, 2024

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2023, 2022, AND 2021

This section of the financial statements of the California Educational Facilities Authority (CEFA) presents management's discussion and analysis of the financial performance during the fiscal years that ended on June 30, 2023, 2022, and 2021. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

CEFA was established in 1973 for the purpose of issuing revenue bonds to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities.

CEFA provides students with better access and broader opportunities in higher education by providing qualified non-profit private higher education institutions with the assistance needed to reduce their capital costs of financing academic-related facilities through a tax-exempt revenue bond program. Additionally, CEFA administers the College Access Tax Credit Fund (CATCF) and is responsible for allocating and certifying tax credits for individuals, businesses, and insurance companies.

Conduit Financing Activity

During the fiscal years ended June 30, 2023, 2022, and 2021, CEFA issued bonds totaling $303,540,000, $35,000,000, and $353,395,000, respectively. As of June 30, 2023, CEFA's total conduit debt issued was approximately $14.7 billion, and the total conduit debt outstanding was approximately $4.3 billion. As of June 30, 2022, total conduit debt issued was approximately $14.4 billion and total conduit debt outstanding was approximately $4.2 billion. As of June 30, 2021, total conduit debt issued was approximately $14.4 billion and total conduit debt outstanding was approximately $4.4 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

CEFA's financial statements report information 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 statements prepared for fiscal years ended June 30, 2023 and 2022 were performed by the auditing firm Richardson & Company LLP. The financial statements prepared for fiscal year ended June 30, 2021, were performed by the auditing firm Gilbert CPAs.

The ***Statements of Net Position*** include CEFA's assets, deferred outflows, liabilities, deferred inflows, and net position for the years ended June 30, 2023, 2022, and 2021 and provide information about the nature and amounts of investments in resources (assets) and the obligations to CEFA's creditors (liabilities) (see Table 1).

Table 1

Statements of Net Position

	2023	2022	2021
Assets			
Current Assets	$ 1,415,340	$ 1,237,764	$ 1,106,036
Non-Current Assets	2,593	3,631	4,669
Total Assets	1,417,933	1,241,395	1,110,705
Deferred Outflow of Resources	331,684	199,016	179,242
Total Assets and Deferred Outflow of Resources	$ 1,749,617	$ 1,440,411	$ 1,289,947
Liabilities			
Current Liabilities	$ 39,059	$ 31,902	$ 40,512
Non-Current Liabilities	1,377,143	1,359,932	1,664,949
Total Liabilities	1,416,202	1,391,834	1,705,461
Deferred Inflow of Resources	270,474	375,464	266,397
Net Position			
Net Investments in Capital Assets	2,593	3,631	-
Restricted for Educational Purposes	60,348	(330,518)	(681,911)
Total Net Position	62,941	(326,887)	(681,911)
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 1,749,617	$ 1,440,411	$ 1,289,947

CEFA's Total Assets and Deferred Outflow of Resources was $1,749,617 as of fiscal year ended June 30, 2023, which was an increase from $1,440,411 as of fiscal year ended of June 30, 2022. The increase was primarily driven by current assets, which consist primarily of cash and cash equivalents and accounts receivable of charges for services. The increase in current assets can be attributed to the increase if Fee Revenue as well as interest income. CEFA issued two bonds under the Bond Financing Program during this period, which generated approximately $115,000 in initial fees. CEFA collects revenues from CATCF and the California Health Facilities Financing Authority (CHFFA) programs that CEFA charges for staff time spent on programs, such as the CHFFA Nondesignated Public Hospital (NDPH) Bridge Loan Programs.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** accounts for all revenues earned and expenses incurred by CEFA for the years ended June 30, 2023, 2022, and 2021. These statements reflect the results of CEFA's operations in each of the respective years (see Table 2).

Table 2

Statements of Revenues, Expenses, and Changes In Net Position

	2023	2022	2021
Operating Revenues			
Fee Revenue	$ 383,782	$ 314,535	$ 395,211
Miscellaneous Revenue	343,457	372,613	224,357
Total Operating Revenues	727,239	687,148	619,568
Operating Expenses			
Personnel	189,410	192,497	308,115
Operating Expenses	170,804	142,668	134,581
Total Operating Expenses	360,214	335,165	442,696
Operating Income	367,025	351,983	176,872
Non-Operating Revenues			
Interest and Investment Income	22,803	3,041	3,724
Change in Net Position	389,828	355,024	180,596
Net Position - Beginning of Year	(326,887)	(681,911)	(862,507)
Net Position - End of Year	$ 62,941	$ (326,887)	$ (681,911)

For the fiscal year ended June 30, 2023, CEFA's Change in Net Position of $389,828 reflects an increase from $355,024 for fiscal year ended June 30, 2022. Part of this increase can be attributed to increased fee revenue that is invoiced from the Bond Financing Program combined with an increase in interest income and investment income. CEFA's practice of charging out staff time to CATCF and CHFFA supports CEFA's Total Operating Revenues, the amounts of which can fluctuate year after year depending on the CEFA staff time worked on those programs. With three years of increasing growth in Change in Net Position, CEFA's end of year net position for fiscal year 2023 turned positive after being in a deficit for six fiscal years 2022, 2021, 2020, 2019, 2018, and 2017.

The ***Statements of Cash Flows*** provide information about CEFA's cash receipts and cash payments during the fiscal years ended June 30, 2023, 2022, and 2021. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, capital 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

	2023	2022	2021
Cash Flows From Operating Activities			
Net Cash Provided (Used) by Operating Activities	$ (75,159)	$ 233,307	$ 174,095
Cash Flows from Capital Financing Activities			
Net Cash Used by Capital Financing Activities	-	-	(5,188)
Cash Flows from Investing Activities			
Net Cash Provided by Investing Activities	16,624	2,116	5,271
Net Increase (Decrease) in Cash and Cash Equivalents	(58,535)	235,423	174,178
Beginning Cash and Cash Equivalents	1,005,529	770,106	595,928
Ending Cash and Cash Equivalents	$ 946,994	$ 1,005,529	$ 770,106

The Ending Cash and Cash Equivalents decreased from $1,005,529 in fiscal year ended June 30, 2022 to $946,994 in fiscal year ended June 30, 2023. Although Total Operating Revenues increased as shown on Table 2, this net decrease in cash is primarily due to a considerable increase in Accounts Receivable, which increased from $35,157 in fiscal year ended June 30, 2022 to $305,609 in fiscal year June 30, 2023. CEFA's various fees were invoiced, but those invoices were not paid in a timely manner to be a part of the cash balance as of June 30, 2023.

ANALYSIS OF FISCAL YEAR 2022/2023 BOND ACTIVITIES

Applications Received: **2**

Final Resolutions Adopted: **2**

Bonds Sold (not including tax-exempt commercial paper): **$303,540,000**

ANALYSIS OF FISCAL YEAR 2021/2022 BOND ACTIVITIES

Applications Received: **1**

Final Resolutions Adopted: **1**

Bonds Sold (not including tax-exempt commercial paper): **$35,000,000**

ANALYSIS OF FISCAL YEAR 2020/2021 BOND ACTIVITIES

Applications Received: **2**

Final Resolutions Adopted: **2**

Bonds Sold (not including tax-exempt commercial paper): **$353,395,000**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CEFA'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 Carolyn Aboubechara, Interim Executive Director, California Educational Facilities Authority, 901 P Street, Suite 313, Sacramento, California 95814.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF NET POSITION

June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 922,276	$ 1,005,529
Accounts receivable	305,609	35,157
Interest receivable	7,630	1,451
Due from State - external funds	179,825	195,627
TOTAL CURRENT ASSETS	1,415,340	1,237,764
NON-CURRENT ASSETS:		
Capital assets, net	2,593	3,631
TOTAL ASSETS	1,417,933	1,241,395
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension activities	235,016	103,697
Deferred outflow of resources - other postemployment benefits (OPEB)	96,668	95,319
	331,684	199,016
TOTAL ASSETS AND DEFFERED OUTFLOW OF RESOURCES	$ 1,749,617	$ 1,440,411
CURRENT LIABILITIES		
Accounts payable	$ 6,291	$ 8,959
Due to State - external funds	1,882	592
Accrued vacation, due within one year	30,886	22,351
TOTAL CURRENT LIABILITIES	39,059	31,902
NONCURRENT LIABILTIES		
Accrued vacation	12,699	33,852
Loan payable	59,459	84,177
Net pension liability	657,083	374,719
Other postemployment benefits (OPEB) liability	647,902	867,184
TOTAL NON-CURRENT LIABILITIES	1,377,143	1,359,932
TOTAL LIABILITIES	1,416,202	1,391,834
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension activities	45,744	223,346
Deferred inflow of resources - other postemployment benefits (OPEB)	224,730	152,118
	270,474	375,464
NET POSITION		
Net investment in capital assets	2,593	3,631
Restricted for educational purposes	60,348	(330,518)
TOTAL NET POSITION	62,941	(326,887)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 1,749,617	$ 1,440,411

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Fee revenue	$ 383,782	$ 314,535
Miscellaneous revenue	343,457	372,613
TOTAL OPERATING REVENUES	727,239	687,148
OPERATING EXPENSES		
Salaries and wages	230,293	277,907
Operating expenses	170,804	142,668
Pension and OPEB	(174,576)	(227,579)
Benefits and other personnel related	133,693	142,169
TOTAL OPERATING EXPENSES	360,214	335,165
OPERATING INCOME	367,025	351,983
NONOPERATING REVENUES		
Interest and investment income	22,803	3,041
TOTAL NONOPERATING REVENUES	22,803	3,041
CHANGE IN NET POSITION	389,828	355,024
Net position, beginning of year	(326,887)	(681,911)
NET POSITION, END OF YEAR	$ 62,941	$ (326,887)

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from fees	$ 472,589	$ 791,768
Payments to vendors	(171,144)	(139,640)
Payments for salaries and benefits	(376,604)	(418,821)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(75,159)	233,307
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	16,624	2,116
NET CASH PROVIDED BY INVESTING ACTIVITIES	16,624	2,116
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(58,535)	235,423
Cash and cash equivalents at the beginning of the year	1,005,529	770,106
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 946,994	$ 1,005,529
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating income	$ 367,025	$ 351,983
Depreciation	1,038	1,038
Changes in assets and liabilities		
Accounts receivable	(270,452)	181,723
Due from other funds	15,802	(77,103)
Accounts payable	(2,668)	3,993
Due to other funds	1,290	(2,003)
Accrued leave	(12,618)	1,255
Net pension liability	282,364	(251,056)
Deferred inflows/outflows	(237,658)	89,293
OPEB liability	(219,282)	(65,816)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ (75,159)	$ 233,307

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of CEFA 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 CEFA are described below.

Organization and Reporting Entity: CEFA, a state agency within the California State Treasurer's Office, was created by Chapter 1432, Statutes of 1972, which became effective March 7, 1973, and was subsequently amended. Legislation pertaining to the Act is contained in Division 10, Part 59, Chapter 2 of the California Education Code commencing with Code Section 94100. Effective January 1, 1996, legislation was passed to consolidate the California Student Loan Authority (CSLA) with CEFA. The Educational Facilities Authority Fund (EFAF) is maintained within CEFA.

The CSLA was originally established for the primary purpose of financing insured student and parent loans directly to students. Following the consolidation with CEFA, CEFA is authorized to issue negotiable revenue bonds in order to provide funds for achieving its purposes and to assign and pledge all or any portion of its interests in insured loans or the revenue there from for the benefit of holders of CEFA's bonds. Neither the full faith and credit nor the taxing power of the State of California or its political subdivisions is liable for payment of the debt of the CEFA.

CEFA was created for the purpose of issuing revenue bonds to assist private non-profit institutions of higher learning, in the expansion and construction of educational facilities. Because CEFA is authorized to issue tax-exempt bonds, CEFA may provide more favorable financing to such private institutions that might otherwise be obtainable.

The law specifically provides that bonds issued under the Act shall not be a debt, liability, or claim on the faith and credit or the taxing power of CEFA, the State of California, or any of its political subdivisions. The full faith and credit of the participating institutions, however, is normally pledged to the payment of the bonds. Bonds are issued at either public or private sales after details of the proposed project and satisfactory evidence of the ability of the participating institution to meet financial obligations have been submitted to CEFA and approved by the Board.

CEFA contracts with the California State Treasure's Office to provide administrative support including, but not limited to accounting, budgets, data processing, personnel, legal, insurance, and business services.

Basis of Presentation – Fund Accounting: CEFA'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.

CEFA 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 CEFA. 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: CEFA'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 CEFA 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.

Capital Assets: Capital assets are recorded at cost and consist of furniture, fixtures and equipment. 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 three to five years.

Net Position: Net position is categorized as net investment in capital assets, restricted and unrestricted. As of June 30, 2023 and 2022, all of the net positions of CEFA are classified as restricted by enabling legislation for purposes specified in the Act and as described in Note A.

General and Administrative Expenses: CEFA is subject to an allocation of intradepartmental support costs in accordance with an agreement between CEFA and the State Treasurer's Office (STO). Such costs could affect CEFA's financial position or operating results in a manner that differs from those that might have been obtained if CEFA was autonomous. CEFA 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: CEFA 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. Accrued vacation and sick leave follow state employees from agency to agency and are not necessarily earned since the inception of CEFA's fund. Additional information on compensated absences is contained in the financial statements of the State of California for the years ended June 30, 2023 and 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 assets by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets 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 CEFA'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 CEFA'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 CEFA'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 CEFA's year ended June 30, 2023 and did not have an impact on the financial statements.

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.

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

NOTE B – CASH AND INVESTMENTS

Deposits in SMIF: CEFA'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, 2023 and 2022, had a balance of $179.9 billion and $240.4 billion, respectively. The weighted average maturity of PMIA investments was 260 and 311 days as of June 30, 2023 and 2022, respectively. The total amount of deposits in SMIF was $70.1 billion and $71.2 billion as of June 30, 2023 and 2022, respectively. 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 CEFA's investment in this pool is reported in the accompanying financial statements at amounts based upon CEFA'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, 2023 and 2022, CEFA's invested funds in SMIF in the amount of $917,000 and $954,000, respectively. During the year ended June 30, 2023, CEFA earned interest and investment income in the amount of $22,803, of which $7,630 is receivable as of June 30, 2023. During the year ended June 30, 2022, CEFA earned interest and investment income in the amount of $3,041, of which $1,451 is receivable as of June 30, 2022.

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 years ended June 30, 2023 and 2022.

NOTE C – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2023 and 2022, was as follows:

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets, being depreciated and amortized:				
Equipment	$ 12,259			$ 12,259
Less accumulated depreciation and amortization for:				
Equipment	(8,628)	$ (1,038)		(9,666)
NET CAPITAL ASSETS	$ 3,631	$ (1,038)	$ -	$ 2,593

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets, being depreciated and amortized:				
Equipment	$ 12,259			$ 12,259
Less accumulated depreciation and amortization for:				
Equipment	(7,590)	$ (1,038)		(8,628)
NET CAPITAL ASSETS	$ 4,669	$ (1,038)	$ -	$ 3,631

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity of CEFA for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Compensated absence	$ 56,203	$ 18,268	$ (30,886)	$ 43,585	$ 30,886
Loan payable	84,177		(24,718)	59,459	
Net pension liability	374,719	282,364		657,083	
OPEB liability	867,184		(219,282)	647,902	
	$ 1,382,283	$ 300,632	$ (274,886)	$ 1,408,029	$ 30,886

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

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 54,948	$ 23,606	$ (22,351)	$ 56,203	$ 22,351
Loan payable	84,177			84,177	21,000
Net pension liability	625,775		(251,056)	374,719	
OPEB liability	933,000		(65,816)	867,184	
	$ 1,697,900	$ 23,606	$ (339,223)	$ 1,382,283	$ 43,351

Loan Payable: During the fiscal year ended June 30, 2018, SMIF made a contribution to the Plan of $111,000, on behalf of CEFA, as required by Senate Bill No. 84, Chapter 50, Statutes of 2017 (SB 84), to fund future Net Pension Liabilities. CEFA established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by CEFA by June 30, 2030. The outstanding balance on the loan payable as of June 30, 2023 and 2022, was $59,459 and $84,177, respectively.

NOTE E – CONDUIT FINANCING ACTIVITY

CEFA 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 CEFA 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 CEFA's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty. At June 30, 2023 and 2022, the aggregate amount of CEFA's conduit debt obligations outstanding issued on behalf of program participants totaled $4,296,723,943 and $4,156,903,072, respectively.

NOTE E – CONDUIT FINANCING ACTIVITY (Continued)

CEFA's conduit financing activity for the year ended June 30, 2023 is as follows:

Qualified Private Activity Debt	Debt issued during fiscal year 2023 (third party debt)	Debt outstanding at June 30, 2023 (third party debt)
Qualified 501(c)(3) Nonprofit - Educational Facility Bonds	$ 303,540,000	$ 4,296,723,943

CEFA'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 - Educational Facility Bonds	$ 35,000,000	$ 4,156,903,072

NOTE F – EMPLOYEE RETIREMENT PLAN

Plan Descriptions: All qualified employees are eligible to participate in CEFA's agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Departments and agencies within the state, including CEFA, 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 CEFA, 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 CEFA 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. CEFA has the following rate plans:

- Miscellaneous Plan Tier 1
- Miscellaneous Plan Tier 2

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.

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

The Plans' provisions and benefits in effect at June 30, 2023 and 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	30.71%	30.71%	30.71%
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	30.71%	30.71%
Required employer contribution rates	31.43%	31.43%

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. CEFA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023 and 2022, contributions to the Plan were $74,260 and $74,834, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2023 and 2022, CEFA reported net pension liabilities of $657,083 and $374,719 for its proportionate share of the net pension liability of the Plan.

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

CEFA'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, 2022, 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, 2021 rolled forward to June 30, 2022 using standard update procedures. CEFA'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. CEFA's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

Proportionate share - June 30, 2022	0.0017%
Proportionate share - June 30, 2021	0.0017%
Change - Increase (Decrease)	0.0000%
Proportionate share - June 30, 2021	0.0017%
Proportionate share - June 30, 2020	0.0018%
Change - Increase (Decrease)	-0.0001%

For the years ended June 30, 2023 and 2022, CEFA recognized a pension credit of $26,557 and $155,562, respectively.

At June 30, 2023, CEFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 74,260		$ 74,834	
Change in assumptions	49,737	$ (1)	(2)	$ (566)
Differences between actual and expected ex	10,390	(14,882)	23,995	(1)
Change in employer's proportion	15,000	(30,861)	4,870	(64,501)
Net differences between projected and actual earnings on plan investments	85,629			(158,278)
Total	$ 235,016	$ (45,744)	$ 103,697	$ (223,346)

The $74,260 and $74,834 reported as deferred outflows of resources related to contributions subsequent to the measurement date at June 30, 2023, and 2022, respectively, will be recognized as a reduction of the net pension liability in the following fiscal year.

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions at June 30, 2023 will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2023	$ 17,936
2024	20,400
2025	20,979
2026	55,697
	$ 115,012

Actuarial Assumptions: The total pension liabilities in the June 30, 2022 and 2021 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	7.15%
Inflation	2.30%	2.50%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Mortality	Derived using CalPERS membership data for all funds	Derived using CalPERS membership data for all funds

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

(2) 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 could be found on the CalPERS website.

For the June 30, 2022 actuarial valuation post-retirement benefit increases are based on contract COLA up to 2.30% until Purchasing Power Allowance floor on purchasing power applies, 2.30% thereafter. For the June 30, 2021 actuarial valuation 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.

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90% and 7.15% for the June 30, 2022, and 2021 measurement dates, respectively. 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 6.90% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% 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.

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 table below reflects the long-term expected real rate of return by asset class as of the measurement dates of June 30. 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.

	2023	
Asset Class	Assumed asset allocation	Real return (1) (2
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weight	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investments Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management stu

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

	2022		
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 CEFA's proportionate share of the net pension liability, calculated using the discount rate, as well as what CEFA'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:

	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability	$ 945,509	$ 631,426
Current Discount Rate	6.90%	7.15%
Net Pension Liability	$ 657,083	$ 374,719
1% Increase	7.90%	8.15%
Net Pension Liability	$ 416,308	$ 159,553

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.

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

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, 2022 and 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 80% of the health insurance premium cost for annuitants, plus 80% 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 2022 monthly State contribution was $816 for one-party, $1,548 for two-party coverage, and $1,983 for family coverage. The maximum 2021 monthly State contribution was $607 for one-party, $1,216 for two-party coverage, and $1,567 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.

CEFA 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 CEFA were $37,612 and $32,835 for the fiscal year ended June 30, 2023 and 2022, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: At June 30, 2023 and 2022, CEFA reported a liability of $647,902 and $867,184, respectively, for its proportionate share of the State's Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. CEFA's proportionate share, based on its attributable employee valuation group's pensionable compensation, as of June 30, 2022 and 2021 was 0.001738% and 0.001213%, respectively.

For the fiscal year ended June 30, 2023 and 2022, CEFA recognized an OPEB credit of $148,018 and $76,686, respectively. The SCO's policy is to fully expense each year's proportionate share change adjustment. CEFA followed this policy and fully expensed its proportionate share change adjustment.

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

At June 30, 2023 and 2022, CEFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 31,000		$ 37,000	
Changes in assumptions	41,367	$ (145,602)	58,077	$ (36,742)
Changes in non-investment experie	18,279	(77,350)	38	(112,656)
Changes in investment experience	6,022	(1,778)	204	(2,720)
Total	$ 96,668	$ (224,730)	$ 95,319	$ (152,118)

The $31,000 and $37,000 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 CEFA's OPEB expense as follows:

Year Ending June 30	
2024	$ (40,678)
2025	(31,504)
2026	(19,329)
2027	(19,463)
2028	(20,802)
Thereafter	(27,286)
	$ (159,062)

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

Actuarial Assumptions: For the measurement period ended June 30, 2022 (the measurement date), the total OPEB liability was determined using a June 30, 2022 valuation date. The June 30, 2021 beginning total OPEB liability was determined by rolling back the June 30, 2022 total OPEB liability. The June 30, 2022 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2022
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 3.69%
Inflation	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 2023, increasing to 7.00% in 2024, graded down over a five-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*: 0.03% in 2023, 2.00% for 2024, 3.00% for 2025, 4.00% for 2026, and 4.25% for 2027 and beyond.
Mortality Rate Table	Derived using CalPERS' Membership data for all members

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

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

Discount Rate: The blended rates used to measure the June 30, 2022 total OPEB liability consist of the 20-year Municipal G.O. Bond AA Index rate of 3.96% as of June 30, 2022, 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, 2020*, 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.

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%

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

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, 2022	$ 892,510	$ 25,326	$ 867,184
Changes for the year:			
Service cost	30,947		30,947
Interest on the total OPEB liability	21,682		21,682
Contribution - employer		24,920	(24,920)
Net investment income		(5,473)	5,473
Difference between expected actual experience	21,149		21,149
Change in assumption	(148,822)		(148,822)
Employer prefunding conribution		12,692	(12,692)
Active member contribution		6,768	(6,768)
Proportionate share allocation	(108,490)	(3,152)	(105,338)
Administrative expense		(7)	7
Benefit payments	(24,920)	(24,920)	
Net changes	(208,454)	10,828	(219,282)
Balance at June 30, 2023	$ 684,056	$ 36,154	$ 647,902

	Increase (Decrease)		
	Total OPEB Liability	Plan fiduciary Net Position	Net OPEB Liability/(Asse
Balance at June 30, 2021	$ 948,000	$ 15,000	$ 933,000
Changes for the year:			
Service cost	32,279		32,279
Interest on the total OPEB liability	27,980		27,980
Contribution - employer		26,322	(26,322)
Net investment income		4,537	(4,537)
Difference between expected actual experience	(67,940)		(67,940)
Change in assumption	34,608		34,608
Employer prefunding conribution		6,513	(6,513)
Active member contribution			-
Proportionate share allocation	(56,095)	(718)	(55,377)
Administrative expense		(6)	6
Benefit payments	(26,322)	(26,322)	
Net changes	(55,490)	10,326	(65,816)
Balance at June 30, 2022	$ 892,510	$ 25,326	$ 867,184

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

Sensitivity of the Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate: The following presents CEFA's proportionate share of the net OPEB liability, as well as what CEFA'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:

	2023		
	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$ 757,243	$ 647,902	$ 559,004

	2022		
	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$1,025,883	$ 867,184	$ 739,630

Sensitivity of the Proportionate Share of the Total OPEB Liability to Changes in Healthcare Costs Trend Rates: The following presents CEFA's proportionate share of the net OPEB liability, as well as what CEFA'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:

	2023		
	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$ 550,612	$ 647,902	$ 771,659

	2022		
	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$ 726,294	$ 867,184	$1,049,656

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."

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

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

	June 30, 2023	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	0.0017%	0.0017%	0.0018%	0.0019%	0.0020%	0.0031%	0.0032%	0.0026%	0.0032%
Proportionate share of the net pension liability	$ 657,083	$ 374,719	$ 625,775	$ 639,436	$ 619,197	$ 1,122,077	$ 1,075,056	$ 737,826	$ 816,426
Covered payroll - measurement period	$ 276,652	$ 228,101	$ 255,610	$ 245,551	$ 246,287	$ 367,327	$ 343,432	$ 277,995	$ 318,863
Proportionate share of the net pension liability as a percentage of covered payroll	237.51%	164.28%	244.82%	260.41%	251.41%	305.47%	313.03%	265.41%	256.04%
Plan fiduciary net position as a percentage of the total pension liability	71.63%	82.39%	71.51%	71.30%	71.80%	66.42%	66.81%	70.68%	73.05%

Notes to Schedule:

Reporting valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount rate	6.90%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%	7.50%	7.50%

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 to 7.15% in 2017 and remained 7.15% in 2018, 2019, 2020, 2021 and 2022 and was changed to 6.90% in 2023.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 74,260	$ 74,834	$ 63,740	$ 75,165	$ 72,170	$ 68,654	$ 95,152	$ 91,367	$ 67,497
Contributions in relation to the actuarially determined contributions	(74,260)	(74,834)	(63,740)	(75,165)	(72,170)	(179,654)	(95,152)	(91,367)	(67,497)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ (111,000)	$ -	$ -	$ -
Covered payroll - fiscal year	$ 242,911	$ 276,652	$ 228,101	$ 255,610	$ 245,551	$ 246,287	$ 367,327	$ 343,432	$ 277,995
Contributions as a percentage of covered - employee payroll	30.57%	27.05%	27.94%	29.41%	29.39%	27.88%	25.90%	26.60%	24.28%

Notes to Schedule:

Valuation Date:	June 30, 2020	June 30, 2019	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	Market Value	15-year smoothed market
Inflation	2.50%	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	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.00% (1)	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 EDUCATIONAL FACILITIES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF THE CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)
Last 10 Years

Measurement Period	2022	2021	2020	2019	2018	2017
Proportion of the net OPEB liability	0.001059%	0.001213%	0.001208%	0.001244%	0.003308%	0.002210%
Proportiate share of the net OPEB liability	$ 647,902	$ 867,184	$ 933,000	$ 953,000	$ 1,020,000	$ 1,714,000
Covered-employee payroll	$ 276,652	$ 228,101	$ 255,610	$ 245,551	$ 246,287	$ 367,327
Proportionate share of the net OPEB liablity as a percentage of its covered-employee payroll	234.19%	380.18%	365.01%	388.11%	414.15%	466.61%
Plan fiduciary net position as a percentage of the total OPEB liability	5.285%	2.838%	2.748%	1.693%	1.011%	0.546%
Notes to schedule:						
Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement period - fiscal year ended	June 30, 2022	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, 2022, there were no changes to the benefit terms.

Change in assumptions - For the measurement period ended June 30, 2022, 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

Fiscal year	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 37,612	$ 32,835	$ 32,000	$ 31,000	$ 29,000	$ 25,433
Contributions in relation to the contractually required contributions	(37,612)	(32,835)	(32,000)	(31,000)	(29,000)	(25,433)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 242,911	$ 276,652	$ 228,101	$ 255,610	$ 245,551	$ 246,287
Contributions as a percentage of covered payroll	15.48%	11.87%	14.03%	12.13%	11.81%	10.33%

Notes to Schedule:

Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Measurement period - fiscal year ended	June 30, 2022	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.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BOND ISSUES
JUNE 30, 2023

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Retired	Bonds Outstanding as of June 30, 2023
Art Center College of Design, Series 2018A	30-Aug-18	1-Dec-48	$ 100,000,000	$ 6,115,000	$ 93,885,000
Art Center College of Design, Series 2022A	10-Feb-22	1-Dec-51	$ 35,000,000	$ 545,000	$ 34,455,000
California Institute of Technology, Series 1994	27-Oct-94	1-Jan-24	$ 30,000,000	$ -	$ 30,000,000
California Institute of Technology, Series 2006 A	12-Jul-06	1-Oct-36	$ 82,500,000	$ -	$ 82,500,000
California Institute of Technology, Series 2006 B	12-Jul-06	1-Oct-36	$ 82,500,000	$ -	$ 82,500,000
Chapman University, Series 2015	21-Jul-15	1-Apr-45	$ 114,485,000	$ 15,070,000	$ 99,415,000
Chapman University, Series 2017A (Taxable)	16-Nov-17	1-Apr-42	$ 111,015,000	$ 19,115,000	$ 91,900,000
Chapman University, Series 2017B	16-Nov-17	1-Apr-47	$ 37,650,000	$ -	$ 37,650,000
Chapman University, Series 2021A	1-Apr-21	1-Apr-31	$ 52,995,000	$ 8,635,000	$ 44,360,000
Charles Drew University, Series 2014 (Private Placement)	22-Dec-14	1-Jan-42	$ 32,875,000	$ 3,160,000	$ 29,715,000
Claremont McKenna College, Series 2015	3-Dec-15	1-Jan-39	$ 111,785,000	$ 18,860,000	$ 92,925,000
Claremont University Consortium, Series 2011	7-Apr-11	1-Oct-35	$ 9,000,000	$ 4,680,000	$ 4,320,000
Claremont University Consortium, Series 2012	2-Aug-12	1-Oct-33	$ 8,065,000	$ 2,960,000	$ 5,105,000
Golden Gate University, Series 2012 (Private Placement)	19-Dec-12	1-Jan-43	$ 46,000,000	$ 19,993,500	$ 26,006,500
Loma Linda University, Series 2017A	8-Mar-17	1-Apr-47	$ 134,945,000	$ 7,305,000	$ 127,640,000
Loma Linda University, Series 2017B (Taxable)	8-Mar-17	1-Apr-33	$ 43,440,000	$ 13,345,000	$ 30,095,000
Loyola Marymount University, Series 2001A (CAB & CIB)	14-Jun-01	1-Oct-39	$ 75,449,126	$ 51,888,481	$ 23,560,645
Loyola Marymount University, Series 2013A (Taxable)	26-Mar-13	1-Oct-43	$ 37,000,000	$ 7,715,000	$ 29,285,000
Loyola Marymount University, Series 2018A (Taxable)	6-Nov-18	1-Oct-48	$ 29,210,000	$ -	$ 29,210,000
Loyola Marymount University, Series 2018B	6-Nov-18	1-Oct-48	$ 57,330,000	$ 2,845,000	$ 54,485,000
Loyola Marymount University, Series 2019	17-Sep-19	1-Oct-40	$ 51,620,000	$ 11,740,000	$ 39,880,000
Mount Saint Mary's University, Series 2018A	6-Sep-18	1-Oct-46	$ 34,940,000	$ 525,000	$ 34,415,000
Mount Saint Mary's University, Series 2018B (Taxable)	6-Sep-18	1-Oct-48	$ 5,800,000	$ -	$ 5,800,000
Occidental College, Series 2015	7-Jan-16	1-Oct-45	$ 34,270,000	$ 11,345,000	$ 22,925,000
Occidental College, Series 2013B (Taxable)	5-Jun-13	1-Oct-27	$ 6,370,000	$ 2,805,000	$ 3,565,000
Pepperdine University, Series 2015	2-Sep-15	1-Sep-45	$ 76,455,000	$ 69,485,000	$ 6,970,000
Pepperdine University, Series 2016	17-Mar-16	1-Oct-49	$ 100,000,000	$ 93,190,000	$ 6,810,000
Pepperdine University, Series 2017B	21-Dec-17	1-Sep-33	$ 20,870,000	$ 2,445,000	$ 18,425,000
Pomona College, Series 2005 A/2 (Capital Appreciation)	24-Feb-05	1-Jul-41	$ 25,144,739	$ 9,739,233	$ 15,405,506
Saint Mary's College of California, Series 2007	30-Aug-07	1-Oct-43	$ 71,100,000	$ 19,425,000	$ 51,675,000
Santa Clara University, Series 1999 (CAB & CIB)	15-Apr-99	1-Sep-26	$ 82,181,741	$ 60,223,311	$ 21,958,430
Santa Clara University, Series 2015	28-Aug-15	1-Apr-45	$ 102,230,000	$ 11,745,000	$ 90,485,000
Santa Clara University, Series 2017A (Taxable)	10-Aug-17	1-Apr-37	$ 97,530,000	$ 1,245,000	$ 96,285,000
Santa Clara University, Series 2017B	10-Aug-17	1-Apr-40	$ 25,035,000	$ 1,185,000	$ 23,850,000
Santa Clara University, Series 2017C	28-Dec-17	1-Apr-48	$ 52,485,000	$ 1,965,000	$ 50,520,000
Southwestern University, Series 2003	29-May-03	01-Nov-23	$ 11,880,000	$ 11,015,000	$ 865,000
Stanford University, Series S-1	24-Jun-04	1-Nov-39	$ 40,000,000	$ -	$ 40,000,000
Stanford University, Series S-2	24-Jun-04	1-Nov-39	$ 40,000,000	$ 9,790,000	$ 30,210,000
Stanford University, Series S-3	24-Jun-04	1-Nov-39	$ 50,000,000	$ -	$ 50,000,000
Stanford University, Series S-4	24-Jun-04	1-Nov-50	$ 51,200,000	$ -	$ 51,200,000
Stanford University, 2008 Tax-Exempt Commercial Paper	15-May-08	1-May-38	$ 300,000,000	$ -	$ -
Stanford University, Series T-1	19-Jun-07	15-Mar-39	$ 111,775,000	$ -	$ 111,775,000
Stanford University, Series T-3	6-Sep-07	15-Mar-26	$ 25,360,000	$ -	$ 25,360,000
Stanford University, Series U-1	6-May-10	1-Apr-40	$ 215,375,000	$ -	$ 215,375,000
Stanford University, Series U-2	17-Apr-12	1-Oct-32	$ 77,760,000	$ -	$ 77,760,000
Stanford University, Series U-3	15-May-13	1-Jun-43	$ 261,410,000	$ -	$ 261,410,000
Stanford University, Series U-4	15-May-13	1-Jun-43	$ 39,215,000	$ -	$ 39,215,000
Stanford University, Series U-6	14-May-14	1-May-45	$ 278,980,000	$ -	$ 278,980,000
Stanford University, Series U-7	22-Jun-16	1-Jun-46	$ 170,350,000	$ -	$ 170,350,000
Stanford University, Series V-1	14-Apr-19	1-May-49	$ 441,830,000	$ -	$ 441,830,000
Stanford University, Series V-2	28-Apr-21	1-Apr-51	$ 300,400,000	$ -	$ 300,400,000
Stanford University, Series V-3	1-Jun-23	1-Jun-33	$ 241,545,000	$ -	$ 241,545,000
University of Redlands, 2014 Series A	7-Jan-15	1-Oct-35	$ 31,595,000	$ 19,730,000	$ 11,865,000
University of Redlands, 2016 Series A	1-Apr-16	1-Oct-38	$ 30,690,000	$ 3,935,000	$ 26,755,000
University of Redlands, 2022 Series A	8-Sep-22	1-Oct-52	$ 51,345,000	$ -	$ 51,345,000
University of Redlands, 2022 Series B (Taxable)	8-Sep-22	1-Oct-41	$ 10,650,000	$ -	$ 10,650,000
University of San Diego, Series 1999 (part Capital Appreciation)	4-Feb-99	1-Oct-28	$ 31,778,189	$ 29,373,739	$ 2,404,450
University of San Francisco, 2017 Tax-Exempt Loan	21-Dec-17	1-Oct-36	$ 31,310,000	$ 2,911,588	$ 28,398,412
University of San Francisco, Series 2017 (Private Placement)	3-Apr-17	1-Oct-35	$ 75,000,000	$ 17,930,000	$ 57,070,000
University of San Francisco, Series 2018A	21-Nov-18	1-Oct-53	$ 140,000,000	$ -	$ 140,000,000
University of San Francisco, Series 2018B (Taxable)	21-Nov-18	1-Oct-36	$ 35,880,000	$ 4,070,000	$ 31,810,000
University of the Pacific, Series 2014 (Private Placement)	12-May-14	1-May-34	$ 36,500,000	$ 26,935,000	$ 9,565,000
University of the Pacific, Series 2015	4-Aug-15	1-Nov-36	$ 68,005,000	$ 15,400,000	$ 52,605,000
TOTAL BONDS OUTSTANDING					**$ 4,296,723,943**

(This page intentionally left blank.)

COMPLIANCE REPORT

(This page intentionally left blank.)

RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

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 Educational Facilities 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 California Educational Facilities Authority (CEFA) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CEFA's internal control over financial reporting (internal control) as a basis for designing 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 CEFA's internal control. Accordingly, we do not express an opinion on the effectiveness of CEFA'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.

Board Members
California Educational Facilities Authority

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CEFA'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

December 12, 2024