CALIFORNIA HEALTH FACILITIES
FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED
JUNE 30, 2018

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

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INDEPENDENT AUDITOR'S REPORT

CHFFA Members
California Health Facilities Financing Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the California Health Facilities Financing Authority's (CHFFA) Bond Financing Program Fund (Bond Program), a related organization of the State of California, as of and for the year ended June 30, 2018, and the related notes to financial statements, which collectively comprise the CHFFA Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the CHFFA Bond Program as of June 30, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the CHFFA Bond Program adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of CHFFA Bond Program's Proportionate Share of the Net Pension Liability, Schedule of CHFFA Bond Program's Pension Contributions, Schedule of CHFFA Bond Program's Proportionate Share of the Net OPEB Liability, and Schedule of CHFFA Bond Program's Contributions, Other Postemployment Benefit Plan on pages 24, 25, 26, and 27, respectively, be presented to supplement the basic financial statements. Such information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CHFFA Bond Program's basic financial statements. The Schedule of Bonds and Collateralized Notes, Authorized, Issued, and Outstanding is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Bonds and Collateralized Notes Authorized, Issued, and Outstanding is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Bonds and Collateralized Notes Authorized, Issued, and Outstanding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the CHFFA Bond Financing Program Fund and do not purport to, and do not present fairly the financial position of CHFFA, as of June 30, 2018, 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 May 14, 2019 on our consideration of the CHFFA Bond Program'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 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 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 the CHFFA Bond Program's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

May 14, 2019

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

BALANCE SHEET
JUNE 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Cash and cash equivalents	$ 8,514,943
Restricted cash	217,762
Accounts receivable (net)	1,405,700
Due from external funds	119,678
Total current assets	10,258,083
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred outflows of resources related to pensions	884,979
Deferred outflows of resrouces related to OPEB	71,429
Total deferred outflows of resources	956,408
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 11,214,491
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES:	
Accounts payable	$ 9,697
Due to external funds	16,688
Current accrued vacation	89,249
Loan payable - SMIF (SB 84)	16,459
Total current liabilities	132,093
NON-CURRENT LIABILITIES:	
Accrued vacation (net)	213,597
Loan payable - SMIF (SB 84)	231,858
Net OPEB liability	3,747,063
Net pension liability	2,528,699
TOTAL LIABILITIES	6,853,310
DEFERRED INFLOWS OF RESOURCES:	
Deferred inflows of resources related to pensions	40,214
Deferred inflows of resrouces related to OPEB	362,961
Total deferred inflows of resources	403,175
NET POSITION:	
Restricted for purposes specified in enabling legislation	3,958,006
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 11,214,491

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

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2018

OPERATING REVENUES:	
Fee revenue	$ 1,662,591
OPERATING EXPENSES:	
Personnel	1,615,731
Operating expenses	1,127,723
Total operating expenses	2,743,454
OPERATING LOSS	(1,080,863)
NON-OPERATING REVENUES:	
Interest income	106,927
Total non-operating revenues	106,927
CHANGES IN NET POSITION	(973,936)
NET POSITION, Beginning of Year, as restated	4,931,942
NET POSITION, End of Year	$ 3,958,006

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

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF CASH FLOWS
JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from fees	$ 1,994,544
Payments to employees	(1,245,512)
Payments to suppliers of goods and services	(1,232,211)
Net cash used by operating activities	(483,179)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interest and investment income	93,028
Net provided by noncapital financing activities	93,028
NET DECREASE IN CASH AND CASH EQUIVALENTS	(390,151)
BEGINNING CASH AND CASH EQUIVALENTS	9,122,856
ENDING CASH AND CASH EQUIVALENTS	$ 8,732,705
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating Loss	$ (1,080,863)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH USED BY OPERATIONS:	
Depreciation	10,766
(Increase) Decrease in:	
Accounts receivable	331,953
Due from external funds	(40,542)
Deferred outflows related to pensions	(151,891)
Deferred outflows related to OPEB	(5,629)
Increase (Decrease) in:	
Accounts payable	(70,822)
Due to external funds	(3,890)
Accrued vacation	3,069
Loan payable - SMIF (SB 84)	248,317
Net OPEB liability	(203,060)
Net pension liability	87,167
Deferred inflows related to pensions	29,285
Deferred inflows related to OPEB	362,961
Net cash used by operating activities	$ (483,179)

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

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

The California Health Facilities Financing Authority (CHFFA) was created in 1979 and operates 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 (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 sub-account 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. The CHFFA Bond Program has served as conduit issuer for a wide range of borrowers under the following bond financing programs:

Standard Bond Financing Program - This program provides borrowers with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds. Proceeds from the bonds may be used to fund construction/renovation projects, land acquisition for future projects, acquisition of existing health facilities, refinancing of existing debt, and costs of issuance.

Pooled Bond Financing Program - This program provides borrowers, with more modest financing needs, the option to group or "pool" into a single bond financing, where bond issuance costs are shared by other participants. This type of financing will generally allow a borrower to finance an eligible project with a minimum bond issuance of $500,000.

Equipment Financing Program - This program provides health facilities with access to tax-exempt fixed rate financing for equipment purchases. A borrower under the program can fund qualifying equipment purchases of $500,000 or more. The maturity of the notes must be related to the useful life of the equipment to be financed. Notes issued through the program are collateralized by the equipment that is purchased. Funds may be used to purchase or reimburse all types of qualifying equipment by an eligible health facility, including but not limited to, medical and diagnostic equipment, computers, and telecommunications equipment. Funds can also be used to finance minor equipment installation costs.

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

B. THE REPORTING ENTITY

These financial statements present information on the financial activities of CHFFA's Bond Program. CHFFA is a related organization of the State of California. The California State Treasurer by legislation serves as the Chairperson and is responsible for the oversight of CHFFA.

C. BASIS OF PRESENTATION

As an enterprise fund, the accrual basis of accounting is utilized whereby revenues are recorded when earned and expenses are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). The financial statements of the CHFFA Bond Program have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

D. ACCOUNTS RECEIVABLE

Accounts receivable consist of initial and annual administration fees receivable from conduit bond financing borrowers. Accounts receivable are reported net of an allowance for doubtful accounts of $467,962 as of June 30, 2018. Management's estimate of the allowance is based on historical collection experience and a review of the current status of fees receivable.

E. REVENUES

Bond Financing Program (Standard and Pooled)

Fees are for the staff work related to bond financing and post-issuance activities and for the review of bond transactions. Fees vary based on the borrower: borrowers of bonds for the construction of a private health facility (or system) with annual gross revenues of $2.5 million or greater are charged an initial fee of 0.05% of the aggregate issue amount, up to a maximum of $100,000, and an annual administrative fee of 0.0175% of aggregate outstanding bonds, up to a maximum of $150,000. Borrowers of bonds for the construction of a private health facility (or system) with annual gross revenues of less than $2.5 million and public (city, county or district) health facilities are charged an initial fee of $1,000, and an annual administrative fee of 0.0175% of aggregate bonds outstanding, up to a maximum of $500.

Equipment Financing Program

Fees for the staff work related to equipment financing and post-issuance activities are 0.05% of the aggregate issue amount, along with a non-refundable $500 application fee. The administration fees are $400 annually as long as there is an outstanding loan balance.

Fees are used to cover operating costs such as general communications, printing, professional services both internal and external, facilities operations, employee benefits, and other miscellaneous operating expenses, in addition to salaries and wages.

CHFFA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from issuing bonds and equipment loans.

F. BUDGET

As an enterprise fund, CHFFA is designed to be self-supporting, and therefore is not considered a budgetary fund.

G. CASH AND CASH EQUIVALENTS

CHFFA considers all short-term investments with an original maturity of three months or less to be cash equivalents.

H. CAPITAL ASSETS

Capital assets are defined as assets with a useful life of at least one year and a unit acquisition cost of at least $5,000. Equipment is depreciated using the straight-line method over five years to ten years. Computer software is amortized using the straight-line method over 3 years.

I. RISK MANAGEMENT

CHFFA is a related organization of the State of California, and participates in their risk management program. The State of California is primarily self-insured against loss or liability, with a few exceptions. The State generally does not maintain reserves; losses are covered by appropriations in the year in which the payment occurs. CHFFA has not had any claims subject to this coverage in the last three years. Additional disclosures are presented in the financial statements of the State of California.

J. ACCRUED VACATION

The accrued liability for the vacation compensation is recognized as an expense and liability in the CHFFA Bond Program's financial statements based on employee assignment to the program. Additionally, accumulated sick-leave balances are not recorded as compensated absences because they do not vest to employees. However, unused sick-leave balances convert to service credits upon retirement.

K. PENSION

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CHFFA Bond Program's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous Plan (Plan) and additions to/deductions from the Plan's 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.

L. OTHER POSTEMPLOYMENT BENEFITS

For purposes of measuring the net Other Postemployment Benefits (OPEB) liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CHFFA Bond Program's portion of the California Public Employees' Retirement System (CalPERS) California Employers' Retiree Benefit Trust (CERBT) and additions to/deductions from the Plan's 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.

M. NET POSITION

Net position is restricted by enabling legislation for the purposes of issuing bonds to assist expansion and construction of health facilities.

N. USE OF ESTIMATES TO PREPARE FINANCIAL STATEMENTS

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

O. CURRENT YEAR GASB IMPLEMENTATION

For the year ended June 30, 2018, the CHFFA Bond Program implemented *GASB Statement No. 75* (*GASB 75*), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for other postemployment benefits (OPEB) by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It will require employers to report a net OPEB liability for the difference between the present value of projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 75 is required to be implemented retroactively and will require a restatement of beginning net position. Note 8 explains the effect of the current year GASB implementation.

Since GASB 75 requires retroactive application, the net OPEB liability offset by the related deferred outflows and inflows of resources and prior recognized OPEB liabilities as of June 30, 2017 reduces the beginning net position for the fiscal year ended June 30, 2018. As a result, for the year ended June 30, 2018, the beginning net position decreased by $3,082,508 as the cumulative effect of a change in accounting principles.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2018 consist of the following:

Deposits in SMIF	$ 8,514,000
Cash in State Treasury	943
Restricted Cash – Short-term	217,762
Total cash and cash equivalents	$ 8,732,705

Restricted cash is maintained in a Loan Loss Reserve Account for the HealthCap Loan Program, a joint venture with NCB Development Corporation.

The investments must be allowable through the Pooled Money Investment Account (PMIA), which is operated by the State Treasurer's Office, which invests under statutory authority governed by California Government Code Sections 16430 and 16480.4. Allowable investments are as follows:

- U.S. government securities
- Securities of federally-sponsored agencies
- Domestic corporate bonds
- Interest-bearing time deposits in California banks
- Savings and loan associations and credit unions
- Prime-rated commercial paper
- Repurchase and reverse repurchase agreements
- Security loans
- Banker's acceptances
- Negotiable certificates of deposits
- Loans to various bond funds

The CHFFA Bond Program invests excess cash funds in the State of California Surplus Money Investment Fund (SMIF). All of the resources of SMIF are invested through the PMIA. The PMIA investment program is governed by the Pooled Money Investment Board and is administered by the Office of the State Treasurer.

Additional disclosure detail required by GASB Statements No. 3, No. 31, No. 40, and No. 72 regarding cash deposits and investments in the State Treasury, including disclosures related to interest rate risk, credit risk, custodial credit risk, and concentration of credit risk, are presented in the financial statements of the State of California.

3. DUE TO/FROM STATE – EXTERNAL FUNDS

Due to/from state external funds at June 30, 2018, includes the following:

Due From (Due To)	Description	Amount
Mental Health Services Fund	Personnel costs	$ 34,729
SMIF	Interest Income	32,178
Children's Hospital Bond Act Fund	Personnel costs	25,401
No Place Like Home Fund	Personnel costs	27,370
General Fund	Miscellaneous	(740)
Department of General Services	Miscellaneous	(1,710)
Legal Services	DOJ Attorney Services	(14,238)
Net Due From (To) State External Funds		$ 102,990

The amount due from SMIF represents unpaid interest earned by the CHFFA Bond Program. The amount due from other funds represents expenses paid by the CHFFA Bond Program for state external funds. The amount due to other funds represents expenses paid by other funds within the State of California on behalf of the CHFFA Bond Program.

4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
Capital assets, being depreciated and amortized:				
Equipment	$ 73,504	$ -	$ (52,470)	$ 21,034
Computer software - amortizable	65,000	-	-	65,000
Total capital assets being depreciated and amortized:	138,504	-	(52,470)	86,034
Less accumulated depreciation and amortization for:				
Equipment	(62,738)	(10,766)	52,470	(21,034)
Computer software	(65,000)	-	-	(65,000)
Total accumulated depreciation and amortization	(127,738)	(10,766)	52,470	(86,034)
Total capital assets, being depreciated	$ 10,766	$ (10,766)	$ -	$ -

5. ACCRUED VACATION

The CHFFA Bond Program employees are granted vacation and sick leave in varying amounts, depending upon the employee. These hours are accrued for all employees on the basis of monthly payrolls. Upon separation, employees are paid for accumulated vacation days up to specified limits. Accrued vacation and sick leave follow State employees from agency to agency and are not necessarily earned since the inception of the CHFFA Bond Program.

Accrued vacation activity for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Accrued vacation	$ 299,777	$ 92,319	$ (89,249)	$ 302,846	$ 89,249

6. JOINT VENTURE

The Authority participates in a joint venture, the HealthCap Program (the Program), along with the NCB Development Corporation (NCBDC). The relationship between the Authority and the HealthCap Program is such that the Program is not a component unit of the Authority for financial reporting purposes.

The Program was established in 2002 to increase access to capital for owners of eligible health facilities in the State of California. NCBDC's participation in the Program consists of making up to $10,000,000 in the aggregate available to extend loans to qualified borrowers based on the requirements set forth in the Program description. CHFFA's participation in the Program consists in maintaining a Loan Loss Reserve Account. The Loan Loss Reserve Account is required to be maintained at a minimum balance depending on the aggregate outstanding principal balance of all loans enrolled in the Program plus the aggregate amount of reserve deposit amounts paid by borrowers.

All interest earned on the Loan Loss Reserve account is split equally between CHFFA and NCBDC and interest is periodically remitted. As of June 30, 2018, the CHFFA Bond Program's portion of the balance in the Loan Loss Reserve Account was $217,762. CHFFA's risk of loss related to its participation in the Program is limited to its balance in the Loan Loss Reserve Account.

7. RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Descriptions – All of the employees of CHFFA participate in the California Public Employees' Retirement System (CalPERS), which is included in the State of California's (State) Comprehensive Annual Financial Report (CAFR) as a fiduciary component unit. CalPERS administers the Public Employees' Retirement Fund (PERF). PERF is an agent multiple-employer defined benefit retirement plan. 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. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov

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.

Benefits Provided – The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. 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 are summarized as follows:

First Tier:

Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	10 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 67	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	1.0 to 2.5%	1.092 to 2.418%	1.0 to 2.5%

Second Tier:

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 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	0.5 to 1.25%	0.65 to 1.25%

Contributions – Section 20814(c) of the California Public Employees Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. 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 is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2017 (the measurement date) the employer's contribution rate is approximately 26.90% of annual payroll.

These rates reflect PERL Section 20683.2, which mandates that certain employees must contribute more as of July 1, 2013. Furthermore, any reduction in employer contributions due to the increase in the employee contributions must be paid by the employer towards the unfunded liability. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any employer paid member contributions or situations where members are paying a portion of the employer contribution.

CHFFA's Bond Program contributions to the plan were $236,613 for the fiscal year ended June 30, 2018.

In addition to CHFFA's Bond Program contributions to the plan, during the year ended June 30, 2018, the State Surplus Money Investment Fund (SMIF) made a contribution to the Plan of $248,317, on behalf of the CHFFA Bond Program, as required by Senate Bill No. 84 (SB 84) to fund future net pension liabilities. CHFFA's Bond Program established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by June 30, 2030.

B. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the CHFFA Bond Program reported net pension liabilities for their proportionate share of the net pension liability of $2,528,699.

CHFFA's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The CHFFA Bond Program's proportion of the net pension liability was based on the State Controller's Office (SCO) projection for CHFFA. The SCO identified a total of 29 entities that are reported in the State's CAFR which are proprietary funds (enterprise and internal service) and fiduciary funds (pension and other employee benefit trust funds), component units (discretely presented and fiduciary), and related organizations, that have State employees with pensionable compensation (covered payroll). The SCO calculated and provided these funds/organizations with their allocated pensionable compensation percentages by plan. The CHFFA Bond Program's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2016 were 0.006921% and 0.007373%, respectively.

For the year ended June 30, 2018, CHFFA's Bond Program recognized pension expense was $449,491.

At June 30, 2018, CHFFA's 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	$ 484,931	$ -
Changes in assumptions	294,198	-
Change in proportion	23,042	-
Differences between expected and actual experience	11,079	(23,599)
Change in proportionate share of contributions	-	(16,615)
Net differences between projected and actual earnings on plan investments	71,729	-
Total	$ 884,979	$ (40,214)

The $484,931 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 year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	
2019	$ 168,029
2020	131,472
2021	96,896
2022	(36,563)

Actuarial Assumptions – For the measurement period ended June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liabilities were based on the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Interest Rate of Return	7.15%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table(1)	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality rate table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study and Review of Actuarial Assumptions Report (Experience Study).

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Changes in Assumptions – For the measurement period ended June 30, 2017 (the measurement date), the discount rate was reduced from 7.65% to 7.15%.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. 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 appropriate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report called "GASB Statements 67 and 68 Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 Report Information section.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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 (11-60 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. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1 – 10[(a)]	Real Return Years 11+[(b)]
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	100.00%		

[(a)] An expected inflation of 2.5% was used for this period.
[(b)] An expected inflation of 3.0% was used for this period.

Sensitivity of Programs' Proportionate Share Net Pension Liability to Changes in the Discount Rate

The following presents CHFFA Bond Program's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what CHFFA 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 (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
CHFFA Bond Program's Proportionate Share of Plan's Net Pension Liability	$ 3,459,523	$ 2,528,699	$ 1,749,685

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

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. The State, and certain bargaining units and judicial employees (valuation groups) have agreed to prefund retiree healthcare benefits. Assets are held in separate accounts by valuation group within the California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS, an agent multiple-employer defined benefit other postemployment benefits plan (State's Substantive Plan). Assets within each valuation group benefit retirees and dependents associated with that valuation group. CalPERS reports on the CERBT as part of it separately issued annual financial statements, which can be obtained from CalPERS on its website at www.CalPERS.ca.gov.

The State has identified 25 separate valuation groups within the State's Substantive Plan. For each agency and/or fund, the 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, 2017 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 2017 monthly State contribution was $707 for one-party, $1,349 for two-party coverage, and $1,727 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 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 Substantive 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 Substantive Plan which can be found on the SCO's website at www.sco.ca.gov . Contributions to the State's Substantive Plan from CHFFA's Bond Program were $71,429 for the fiscal year ended June 30, 2018.

B. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

At June 30, 2018, CHFFA's Bond Program reported a liability of $3,747,063 for its proportionate share of the State's Substantive Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. CHFFA's proportion of the net OPEB liability was based on the SCO's projection for CHFFA. CHFFA's combined proportionate share, based on its attributable employee valuation groups pensionable compensation, as of June 30, 2017 was 0.0069706%.

For the fiscal year ended June 30, 2018, CHFFA's Bond program recognized OPEB expense of $154,272. At June 30, 2018, CHFFA's Bond Program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ (351,641)
Differences between contributions and proportionate share of contributions	-	(11,320)
OPEB contributions subsequent to measurement date	71,429	-
Total	$ 71,429	$ (362,961)

The $71,429 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 fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in CHFFA Bond Program's OPEB expense as follows:

Year Ending June 30	
2019	$ (63,147)
2020	(63,147)
2021	(63,147)
2022	(63,147)
2023	(63,147)
2024	(47,226)

Actuarial Assumptions

For the measurement period ended June 30, 2017 (the measurement date), the total OPEB liability was determined using a June 30, 2017 valuation date. The June 30, 2016 beginning total OPEB liability was determined by rolling back the June 30, 2017 total OPEB liability. The June 30, 2017 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2017
Actuarial Cost Method:	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	Blended rate for each valuation group, consisting of 7.28% when assets are available to pay benefits, otherwise 20-year Municipal G.O. Bond AA Index rate of 3.56%
Inflation	2.75%
Salary Increases	Varies by entry age and service
Investment Rate of Return	7.28%, net of OPEB plan investment expenses
Health care cost trend rates	*Pre-Medicare coverage*: Actual rates for 2018, increasing to 8.00% in 2019, decreasing 0.50% per year to an ultimate rate of 4.50% for 2026 and later years *Post-Medicare coverage*: Actual rates for 2018, increasing to 8.50% in 2019, decreasing 0.50% per year to an ultimate rate of 4.50% for 2027 and later years *Dental coverage*: 0.00% in 2018 and 4.50% thereafter
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 20 years of mortality improvements using the Society of Actuaries Scale BB. For more details on this table, refer to the 2014 *CalPERS Experience Study and Review of Actuarial Assumptions* report (Experience Study) for the period from 1997 to 2011. Other demographic assumptions used in the June 30, 2017 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 2015 experience study performed by Gabriel, Roeder, Smith and Company (GRS) for the period from 2007 to 2014. 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. To obtain a copy of the GRS experience study, please email the State Controller's Office, State Accounting and Reporting Division, at stategovreports@sco.ca.gov.

Changes in Assumptions - For the actuarial valuation as of June 30, 2017, healthcare-related assumptions, including per capita healthcare cost and healthcare trend rates, were updated based on experience through June 30, 2017.

Discount Rate - The discount rate used to measure the total OPEB liability was based on a blended rate for each valuation group. The blended rate used to measure the June 30, 2016 total OPEB liability (for CHFFA's net OPEB liability reported as of June 30, 2017) consists of the 20-Bond G.O. Index rate of 2.85% as of June 30, 2016, as reported by Bond Buyer Index (general obligation, 20 years to maturity, mixed quality), when prefunding assets are not available to pay benefits, and 7.28% when prefunding assets are available to pay benefits. The blended rate used to measure the June 30, 2017 total OPEB liability consists of the 20-year Municipal G.O. Bond AA Index rate of 3.56% as of June 30, 2017, as reported by Fidelity Index, when prefunding assets are not available to pay benefits, and 7.28% when prefunding assets are available to pay benefits. The cash flow projections used to calculate the blended discount rate were developed assuming that prefunding agreements in which actuarially determined normal costs are shared between employees and the State will continue and that the required contributions will be made on time and 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, 2017*, 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 CalPERS 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) returns were calculated over a closed period. Based on separate expected nominal returns for the short-term (first 10 years) and the long-term (11-60 years), a single expected return rate of 7.28% was calculated for years 1-60. 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 Allocation	Real Return Years 1 - 10	Real Return Years 11 - 60
Global Equity	57.00%	5.25%	5.71%
Global Fixed Income	27.00%	1.79%	2.40%
Inflation Sensitive	5.00%	1.00%	2.25%
Real Estate	8.00%	3.25%	7.88%
Commodities	3.00%	0.34%	4.95%
Total	100.00%		

The Real Return Years 1 – 10 used an expected inflation rate of 2.50% for this period. The Real Return Years 11 – 60 used an expected inflation rate of 3% for this period.

Sensitivity of CHFFA Bond Program's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents CHFFA Bond Program's proportionate share of the net OPEB liability, as well as what CHFFA 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%
Net OPEB liability	$ 4,435,691	$ 3,747,063	$ 3,198,804

Sensitivity of CHFFA Bond Program's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Costs Trend Rates

The following presents CHFFA Bond Program's proportionate share of the net OPEB liability, as well as what CHFFA 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%
Net OPEB liability	$ 3,156,933	$ 3,747,063	$ 4,505,404

OPEB Plan Fiduciary Net Position – Detailed information about the State's Substantive Plan fiduciary net position is available on CalPER's 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". Additionally, CalPERS annually issues a Comprehensive Annual Financial Report which includes the CERBT fund's financial statements.

9. CONDUIT FINANCING PROGRAMS

The CHFFA Bond Program acts as a conduit issuer by assisting eligible private nonprofit and public health facilities obtain financing through the issuance of revenue bonds. The financings are secured by the full faith and credit of the participating institutions, and neither CHFFA nor the CHFFA Bond Program is responsible for payment on any financing. As a result, the financing obligations are not recorded in the CHFFA Bond Program's financial statements. The borrowers' obligations may be secured by insurance, a letter of credit or guaranty.

As of June 30, 2018, there was $17,940,019,326 in conduit financings outstanding. The CHFFA Bond Program assisted with the issuance of financings in the amount of $1,707,685,000 for the year ended June 30, 2018. Additionally, the amounts of bonds authorized by the CHFFA Bond Program with active resolutions that remain unsold were $201,775,000 as of June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF JUNE 30, 2018 LAST 10 YEARS*

	Measurement Date			
	2017	**2016**	**2015**	**2014**
CHFFA Bond Program's proportion of the net pension liability	0.006921%	0.007373%	0.007546%	0.005999%
CHFFA Bond Program's proportionate share of the net pension liability	$ 2,528,699	$ 2,441,532	$ 2,131,122	$ 1,513,015
CHFFA Bond Program's covered-employee payroll	$ 832,270	$ 820,232	$ 877,791	$ 668,857
CHFFA Bond Program's proportionate share of the net pension liability as a percentage of its covered-employee payroll	303.83%	297.66%	242.78%	226.21%
Plan fiduciary net position as a percentage of the total pension liability	66.42%	66.81%	70.68%	73.05%

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

Notes to Schedule:

Change of benefit terms – For the measurement dates ended June 30, 2017, 2016, 2015, and 2014, there were no changes to the benefit terms.

Changes in assumptions – GASB 68 states that the long-term expected rate of return should be determined net pension plan investment expenses, but without reduction for pension plan administrative expense. The discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% as of the June 30, 2015 measurement date to correct the adjustment, which previously reduced the discount rate for administrative expenses. There were no changes in assumptions for the measurement periods ended June 30, 2016 and 2014. For the measurement date ended June 30, 2017, the financial reporting discount for the plan was lowered from 7.65% to 7.15%.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PENSION CONTRIBUTIONS
AS OF JUNE 30, 2018
LAST 10 YEARS*

	Fiscal Year			
	2018	**2017**	**2016**	**2015**
Contractually required contribution	$ 236,613	$ 249,662	$ 200,708	$ 186,885
Contributions in relation to the contractually required contribution	(484,930)	(249,662)	(200,708)	(186,885)
Contribution deficiency (excess)	$ (248,317)	$ -	$ -	$ -
CHFFA Bond Program’s covered-employee payroll	$ 808,058	$ 832,270	$ 820,232	$ 877,791
Contributions as a percentage of covered-employee payroll	60.01%	30.00%	24.47%	21.29%

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AS OF JUNE 30, 2018 LAST 10 YEARS*

	Measurement Date **2017**
CHFFA Bond Program's proportion of the net OPEB liability	0.006970%
CHFFA Bond Program's proportionate share of the net OPEB liability	$ 3,747,063
CHFFA Bond Program's covered-employee payroll	$ 832,270
CHFFA Bond Program's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	450.22%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2017, there were no changes to the benefit terms.

Changes in assumptions – For the measurement period ended June 30, 2017, healthcare related assumptions were updated based on experience through June 30, 2017.

* Fiscal year 2018 was the 1st year of implementation, therefore only one year is presented.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN
AS OF JUNE 30, 2018
LAST 10 YEARS*

	Fiscal Year
	2018
Contractually required contribution	$ 71,429
Contributions in relation to the contractually required contributions	(71,429)
Contribution deficiency (excess)	$ -
CHFFA Bond Program's covered-employee payroll	$ 808,058
Contributions as a percentage of covered-employee payroll	8.84%

Notes to Schedule:

* Fiscal year 2018 was the 1st year of implementation, therefore only one year is presented.

SUPPLEMENTARY INFORMATION

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2018

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Adventist Health System/West - Sutter Health Revolving Loan Pool, Series 1991A & 1991B, dated September 4, 1991	9/4/1991	8/1/2021	$ 59,800,000	$ 31,400,000	$ 28,400,000
Adventist Health System/West, 1998 Series A1 and A2, dated February 18, 1998 and 1998 Series B, dated February 28, 1998	2/28/1998	A1=9/1/2023 A2=9/1/2028 B=9/1/2028	114,500,000	92,400,000	22,100,000
Adventist Health System/West, 2009 Series B, dated May 20, 2009	5/20/2009	9/1/2038	30,000,000	-	30,000,000
Adventist Health System/West, 2009 Series C, dated May 20, 2009	5/20/2009	3/1/2021	54,495,000	51,495,000	3,000,000
Adventist Health System/West, Series 2011A, dated June 9, 2011 (Variable Rate)	6/9/2011	3/1/2041	130,000,000	19,425,000	110,575,000
Adventist Health System/West, Series 2013A, dated February 14, 2013	2/14/2013	3/1/2043	290,365,000	19,595,000	270,770,000
Adventist Health System/West, Series 2016A, dated September 8, 2016	9/8/2016	3/1/2039	280,010,000	13,955,000	266,055,000
Alliance for Community Care, Series 2003, dated October 29, 2003	10/29/2003	7/1/2022	10,500,000	7,150,000	3,350,000
AltaMed Health Services Corporation, Series 2015A, dated October 1, 2015	10/1/2015	10/1/2040	90,560,000	5,462,000	85,098,000
AltaMed Health Services Corporation, Series 2015B, dated October 1, 2015	10/1/2015	10/1/2035	11,000,000	366,667	10,633,333
Ampla Health, Series 2016 dated October 13, 2016 [Taxable, Variable Rate Demand]	10/13/2016	10/1/2031	7,265,000	400,000	6,865,000
Ararat Home of Los Angeles, Inc., 2012 Series A, dated November 27, 2012	11/27/2012	6/1/2021	2,990,000	1,785,000	1,205,000
Asian Community Center of Sacramento Valley, Inc., Series 2016 dated November 22, 2016	11/22/2016	4/1/2037	16,080,000	535,000	15,545,000
Beacon House Association of San Pedro (The), Series 2011, dated October 20, 2011	10/20/2011	12/1/2023	1,505,000	680,000	825,000
Becoming Independent, Series 2013, dated April 30, 2013	4/30/2013	2/1/2029	4,865,000	1,465,000	3,400,000
California-Nevada Methodist Homes, Series 2015, dated October 21, 2015	5/3/2006	7/1/2045	32,920,000	930,000	31,990,000
Casa Colina, Series 2013, dated September 13, 2013	9/13/2013	4/1/2032	21,190,000	3,655,000	17,535,000
Casa Colina, Series 2016, dated September 30, 2016 (Variable; Notes)	9/30/2016	4/1/2041	36,400,000	1,200,000	35,200,000
Catholic Healthcare West Loan Program, 2004 Series K, dated May 19, 2004	5/19/2004	7/1/2033	60,000,000	-	60,000,000
Catholic Healthcare West Loan Program, 2009 Series H, dated November 12, 2009	11/12/2009	7/1/2033	90,000,000	-	90,000,000
Catholic Healthcare West, 1988 Series A, B & C, dated June 23, 1988	6/23/1988	B: 7/1/2016 C: 7/1/2020	120,000,000	90,500,000	29,500,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2018

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Catholic Healthcare West, 1996 Series D, dated May 30, 1996	5/30/1996	7/1/2021	104,900,000	93,500,000	11,400,000
Catholic Healthcare West, 1997 Series B, 1997 Series C, dated October 15, 1997	10/15/1997	7/1/2022	70,000,000	56,300,000	13,700,000
Catholic Healthcare West, 2005 Series H, dated November 10, 2005	11/10/2005	7/1/2035	140,400,000	400,000	140,000,000
Catholic Healthcare West, 2005 Series I, dated November 10, 2005	11/10/2005	7/1/2035	59,600,000	-	59,600,000
Catholic Healthcare West, 2008 Series G, dated May 16, 2008	5/16/2008	7/1/2025	29,675,000	-	29,675,000
Catholic Healthcare West, 2009 Series E, dated November 12, 2009	11/12/2009	7/1/2025	101,255,000	7,265,000	93,990,000
Catholic Healthcare West, 2011 Series A, dated November 9, 2011	11/9/2011	3/1/2041	350,005,000	84,640,000	265,365,000
Catholic Healthcare West, 2011 Series B, dated November 9, 2011	11/9/2011	3/1/2047	75,000,000	-	75,000,000
Catholic Healthcare West, 2011 Series C, dated November 9, 2011	11/9/2011	3/1/2047	75,000,000	-	75,000,000
Cedars-Sinai Medical Center, Series 2009, dated October 21, 2009	10/21/2009	8/15/2039	535,000,000	518,040,000	16,960,000
Cedars-Sinai Medical Center, Series 2011, dated December 21, 2011	12/21/2011	8/15/2021	148,400,000	74,540,000	73,860,000
Cedars-Sinai Medical Center, Series 2015, dated November 17, 2015	11/17/2015	11/15/2034	370,220,000	2,100,000	368,120,000
Cedars-Sinai Medical Center, Series 2016A dated November 9, 2016	11/9/2016	8/15/2036	267,420,000	6,145,000	261,275,000
Cedars-Sinai Medical Center, Series 2016B dated November 9, 2016	11/9/2016	8/15/2039	402,305,000	-	402,305,000
Children's Hospital Los Angeles, Series 2012A, dated August 15, 2012	8/15/2012	11/15/2034	120,760,000	4,265,000	116,495,000
Children's Hospital Los Angeles, Series 2017A, dated June 6, 2017	6/6/2017	8/15/2049	274,520,000	-	274,520,000
Children's Hospital Los Angeles, Series 2017B, dated June 6, 2017 (Variable)	6/6/2017	8/15/2051	52,180,000	-	52,180,000
Children's Hospital of Orange County, 2009 Series A, dated June 30, 2009	6/30/2009	11/1/2038	139,565,000	21,630,000	117,935,000
Children's Hospital of Orange County, 2009 Series B, dated June 30, 2009	6/30/2009	11/1/2038	50,000,000	5,200,000	44,800,000
Children's Hospital of Orange County, 2009 Series C, dated June 30, 2009	6/30/2009	11/1/2038	50,000,000	5,200,000	44,800,000
Children's Hospital of Orange County, 2009 Series D, dated June 30, 2009	6/30/2009	11/1/2034	27,800,000	4,625,000	23,175,000
Children's Hospital of Orange County, Series 2011A, dated November 3, 2011	11/3/2011	11/1/2041	106,735,000	1,545,000	105,190,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2018

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Chinese Hospital Association, Series 2012, dated November 8, 2012	11/8/2012	6/1/2042	65,000,000	4,040,000	60,960,000
City of Hope, Series 2012A, dated November 14, 2012	11/14/2012	11/15/2039	234,635,000	21,235,000	213,400,000
City of Hope, Series 2017A dated February 10, 2017 (Variable Rate)	2/10/2017	11/15/2042	32,680,000	-	32,680,000
City of Hope, Series 2017B dated February 10, 2017 (Variable Rate)	2/10/2017	11/15/2042	32,680,000	-	32,680,000
Clinicas de Salud del Pueblo, Inc. and Valley Health Team, Inc., 2008 Series A, dated March 11, 2008	3/11/2008	7/1/2032	6,250,000	4,850,000	1,400,000
Community Program for Persons with Developmental Disabilities, 2011 Series A, dated Feb. 17, 2011 (Tax Exempt)	2/17/2011	2/1/2026	44,725,000	16,555,000	28,170,000
Community Program for Persons with Developmental Disabilities, 2011 Series B, dated Feb. 17, 2011 (Taxable)	2/17/2011	2/1/2026	32,245,000	11,325,000	20,920,000
Dignity Health, 2012 Series A, dated June 27, 2012	6/27/2012	3/1/2028	140,000,000	-	140,000,000
Dignity Health, 2014 Series B, Dated October 15, 2014	10/15/2014	3/1/2025	294,510,000	-	294,510,000
Dignity Health, Series 2016A dated December 6, 2016	12/6/2016	3/1/2042	270,095,000	-	270,095,000
El Camino Hospital, Series 2015A, dated May 7, 2015	5/7/2015	2/1/2045	160,455,000	12,845,000	147,610,000
El Camino Hospital, Series 2017, dated March 14, 2017	3/14/2017	2/1/2047	292,435,000	-	292,435,000
Equipment Loan Program (BofA) AltaMed Health Services Corporation, Series 2015A, dated September 29, 2015	9/29/2015	9/29/2022	17,200,000	6,483,091	10,716,909
Fellowship Homes, Inc., Series 2011, dated October 7, 2011	10/7/2011	9/1/2019	2,785,000	2,015,000	770,000
Gateways Hospital and Mental Health Center, 2011 Series A, dated December 1, 2011	12/1/2011	12/1/2036	5,000,000	-	5,000,000
Gateways Hospital and Mental Health Center, 2011 Series B, Dated December 1, 2011	12/1/2011	12/1/2024	3,085,000	1,300,000	1,785,000
Insured Cal Pool Feedback Foundation Inc., Olive Crest Treatment Centers, Inc., Southern California Alcohol & Drug Programs 1992 Series A, dated December 1, 1992	12/1/1992	12/1/2022	5,735,000	5,050,000	685,000
Kaiser Permanente, 2006 Series C, dated June 8, 2006	6/8/2006	6/5/2041	325,000,000	-	325,000,000
Kaiser Permanente, 2006 Series E, dated June 8, 2006	6/8/2006	11/1/2040	175,000,000	-	175,000,000
Kaiser Permanente, Series 2017A, dated May 3, 2017	5/3/2017	11/1/2051	1,747,015,000	-	1,747,015,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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SCHEDULE OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2018

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Kaiser Permanente, Series 2017B, dated May 3, 2017	5/3/2017	11/1/2029	75,385,000	-	75,385,000
Kaiser Permanente, Series 2017C, dated May 3, 2017	5/3/2017	8/1/2031	175,755,000	-	175,755,000
Kaiser Permanente, Series 2017D, dated May 3, 2017	5/3/2017	11/1/2032	128,320,000	-	128,320,000
Lincoln Glen Manor for Senior Citizens, Series 2015, dated February 11, 2015	2/11/2015	4/1/2036	11,965,000	95,000	11,870,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series A, Dated March 21, 2012	3/21/2012	8/15/2051	200,000,000	-	200,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series B, Dated March 21, 2012	3/21/2012	8/15/2027	51,045,000	11,285,000	39,760,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series A, dated May 8, 2014	5/8/2014	8/15/2043	100,000,000	-	100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series B, dated May 8, 2014	5/8/2014	8/15/2043	100,000,000	-	100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series A, dated March 31, 2016 [Refunding]	3/31/2016	8/15/2033	76,975,000	6,560,000	70,415,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series B, dated March 31, 2016	3/31/2016	8/15/2055	100,000,000	-	100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2017 Series A, dated August 17, 2017	8/17/2017	11/15/2056	200,000,000	-	200,000,000
Marshall Medical Center, 2004 Series B, dated March 22, 2004	3/22/2004	11/1/2033	20,000,000	-	20,000,000
Marshall Medical Center, Series 2012A, dated September 26, 2012	9/26/2012	11/1/2022	17,805,000	9,935,000	7,870,000
Marshall Medical Center, Series 2015, dated April 9, 2015	4/9/2015	11/1/2033	26,895,000	380,000	26,515,000
Memorial Health Services, Series 1994, dated March 1, 1994	3/1/1994	10/1/2024	85,000,000	47,600,000	37,400,000
Memorial Health Services, Series 2012A, dated April 25, 2012	4/25/2012	10/1/2033	163,735,000	44,265,000	119,470,000
Memorial Health Services, Series 2013A, dated November 20, 2013	11/20/2013	10/1/2043	50,000,000	-	50,000,000
Memorial Health Services, Series 2016A, dated September 30, 2016	9/30/2016	10/1/2028	50,000,000	-	50,000,000
Memorial Health Services, Series 2016B, dated September 30, 2016 (Variable Rate)	9/30/2016	10/1/2028	65,000,000	-	65,000,000
Montecito Retirement Association, Series 2017A, dated June 22, 2017 (Variable Rate)	6/22/2017	6/1/2022	30,500,000	25,242,115	5,257,885
Montecito Retirement Association, Series 2017B, dated June 22, 2017	6/22/2017	6/1/2032	16,000,000	15,925,000	75,000

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Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Montecito Retirement Association, Series 2017C, dated June 22, 2017	6/22/2017	6/1/2024	6,000,000	811,801	5,188,199
Northern California Presbyterian Homes and Services, Inc., Series 2015, dated April 15, 2015	4/15/2015	7/1/2044	63,210,000	2,440,000	60,770,000
Paradise Valley Estates Project (NCROC), Series 2013, dated April 4, 2013	4/4/2013	1/1/2026	32,315,000	10,490,000	21,825,000
Petaluma Health Center, Inc., 2016 Series A, dated September 13, 2016	9/13/2016	6/1/2040	5,775,000	175,000	5,600,000
Pomona Valley Hospital Medical Center, 1997 Series A, dated April 15, 1997	4/15/1997	7/1/2019	84,000,000	74,640,000	9,360,000
Prototypes, A Center for Innovation in Health Mental Health and Social Services & Social Model Recovery Systems, Inc., 2001 Series A, dated June 1, 2002	6/1/2012	6/1/2026	6,085,000	4,700,000	1,385,000
Providence Health & Services, 2008 Series C, dated November 6, 2008	11/6/2008	10/1/2038	289,195,000	282,790,000	6,405,000
Providence Health & Services, Series 2009B, dated July 29, 2009	7/29/2009	10/1/2039	150,000,000	-	150,000,000
Providence Health & Services, Series 2014A, dated June 26, 2014	6/26/2014	10/1/2038	275,850,000	5,470,000	270,380,000
Providence Health & Services, Series 2014B, dated August 6, 2014	8/6/2014	10/1/2044	118,740,000	-	118,740,000
Providence St. Joseph Health, Series 2016A, dated September 28, 2016	9/28/2016	10/1/2047	448,165,000	-	448,165,000
Providence St. Joseph Health, Series 2016B-1, dated September 28, 2016	9/28/2016	10/1/2036	95,240,000	-	95,240,000
Providence St. Joseph Health, Series 2016B-2, dated September 28, 2016	9/28/2016	10/1/2036	95,245,000	-	95,245,000
Providence St. Joseph Health, Series 2016B-3, dated September 28, 2016	9/28/2016	10/1/2036	95,245,000	-	95,245,000
Rady Children's Hospital - San Diego, Series 2011, dated November 22, 2011	11/22/2011	8/15/2041	100,000,000	8,185,000	91,815,000
San Diego Hospital Association 1988 Series A, dated June 23, 1988	6/23/1988	7/15/2018	25,000,000	23,100,000	1,900,000
San Fernando Valley Community Mental Health Center, Inc., Series 1998A, dated June 1, 1998	6/1/1998	6/1/2023	3,700,000	2,515,000	1,185,000
Scripps Health, 2001 Series A, dated July 10, 2001	7/10/2001	10/1/2023	60,000,000	48,900,000	11,100,000
Scripps Health, 2008 Series A, dated August 14, 2008	8/14/2008	10/1/2022	99,020,000	29,615,000	69,405,000
Scripps Health, 2008 Series G, dated August 13, 2008	8/13/2008	10/1/2019	40,975,000	37,325,000	3,650,000
Scripps Health, 2010 Series A, dated February 4, 2010	2/4/2010	11/15/2036	120,000,000	14,290,000	105,710,000
Scripps Health, 2010 Series B, dated February 4, 2010	2/4/2010	10/1/2040	60,000,000	-	60,000,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
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Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Scripps Health, 2010 Series C, dated February 4, 2010	2/4/2010	10/1/2040	40,000,000	-	40,000,000
Scripps Health, Series 2012A, dated February 1, 2012	2/4/2010	11/15/2040	175,000,000	-	175,000,000
Scripps Health, Series 2012B, dated February 1, 2012 (Variable)	2/1/2012	10/1/2042	60,000,000	-	60,000,000
Scripps Health, Series 2012C, dated February 1, 2012 (Variable)	2/1/2012	10/1/2042	40,000,000	-	40,000,000
Scripps Health, Series 2016A, dated February 29, 2016	2/29/2016	10/1/2025	50,000,000	4,940,000	45,060,000
Scripps Health, Series 2016B, dated February 29, 2016	2/29/2016	10/1/2025	100,000,000	20,000,000	80,000,000
Scripps Health, Series 2017A, dated January 31, 2017 (Revenue Notes)	1/31/2017	10/1/2031	160,000,000	-	160,000,000
Small Facilities Refinancing Program, 2005 Series A, dated April 12, 2005	4/12/2005	4/1/2025	22,545,000	21,350,000	1,195,000
Social Model Recovery Systems, Inc. Series 2014, dated April 2, 2014	4/2/2014	4/1/2039	5,000,000	5,000,000	-
Social Science Services, Inc., Series 2011, dated October 20, 2011	10/20/2011	8/1/2020	1,055,000	660,000	395,000
St. Joseph Health System, 2009 Series A, dated August 27, 2009	8/27/2009	7/1/2039	185,095,000	-	185,095,000
St. Joseph Health System, 2009 Series B, dated August 27, 2009	8/27/2009	7/1/2021	69,315,000	32,790,000	36,525,000
St. Joseph Health System, 2009 Series C, dated August 27, 2009 [re-offered on 10/16/2014, $91,460,000]	8/27/2009	7/1/2034	110,540,000	19,080,000	91,460,000
St. Joseph Health System, 2009 Series D, dated August 27, 2009 [re-offered on 10/18/2016, $39,550,000]	8/27/2009	7/1/2034	56,150,000	16,600,000	39,550,000
St. Joseph Health System, 2013 Series A, dated July 24, 2013 (Fixed Rate)	7/24/2013	7/1/2029	324,840,000	-	324,840,000
St. Joseph Health System, 2013 Series B dated July 24, 2013 (Variable Rate)	7/24/2013	7/1/2043	110,000,000	110,000,000	-
St. Joseph Health System, 2013 Series C, dated July 24, 2013 (Variable Rate)	7/24/2013	7/1/2043	110,000,000	-	110,000,000
St. Joseph Health System, 2013 Series D, dated July 24, 2013 (Variable Rate)	7/24/2013	7/1/2043	110,000,000	-	110,000,000
Stanford Health Care 2015 Series A, dated June 30, 2015	6/30/2015	8/15/2054	100,000,000	-	100,000,000
Stanford Health Care 2015 Series B, dated June 30, 2015	6/30/2015	8/15/2054	75,000,000	-	75,000,000
Stanford Health Care, 2017 Series A (Refunding), dated December 28, 2017	12/28/2017	11/15/2040	454,200,000	-	454,200,000

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Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Retired	Bonds Outstanding as of June 30, 2018
Stanford Hospital and Clinics, 2010 Series A, dated June 16, 2010	6/16/2010	11/15/2031	149,345,000	130,020,000	19,325,000
Stanford Hospital and Clinics, 2012 Series A, dated May 23, 2012	5/23/2012	8/15/2051	340,000,000	-	340,000,000
Stanford Hospital and Clinics, 2012 Series B, dated May 23, 2012	5/23/2012	8/15/2023	68,320,000	26,980,000	41,340,000
Stanford Hospital and Clinics, 2012 Series C, dated May 23, 2012 (Variable Rate)	5/23/2012	8/15/2051	60,000,000	-	60,000,000
Stanford Hospital and Clinics, 2012 Series D, dated May 23, 2012 (Variable Rate)	5/23/2012	8/15/2051	100,000,000	-	100,000,000
Stanford Hospital and Clinics, 2008 Series A-1, dated June 2, 2008	6/2/2008	11/15/2040	70,500,000	3,515,000	66,985,000
Stanford Hospital and Clinics, 2008 Series A-2, re-offer dated June 15, 2011	6/15/2011	11/15/2040	104,100,000	5,000,000	99,100,000
Stanford Hospital and Clinics, 2008 Series A-3, re-offer dated June 16, 2011	6/16/2011	11/15/2040	84,165,000	4,075,000	80,090,000
Stanford Hospital and Clinics, 2008 Series B-1, dated June 2, 2008	6/2/2008	11/15/2045	84,100,000	-	84,100,000
Stanford Hospital and Clinics, 2008 Series B-2, Sub Series 1, re-offer dated June 15, 2011	6/15/2011	11/15/2045	42,050,000	-	42,050,000
Stanford Hospital and Clinics, 2008 Series B-2, Sub Series 2, re-offer dated June 15, 2011	6/15/2011	11/15/2045	42,050,000	-	42,050,000
Sutter Health, 2008 Series A, dated May 14, 2008	5/14/2008	8/15/2038	321,345,000	153,305,000	168,040,000
Sutter Health, 2011 Series B, dated February 10, 2011	2/10/2011	8/15/2042	475,000,000	41,805,000	433,195,000
Sutter Health, Series 2011D, dated December 22, 2011	12/22/2011	8/15/2035	310,300,000	-	310,300,000
Sutter Health, Series 2013A, Dated April 24, 2013	4/24/2013	8/15/2052	450,000,000	-	450,000,000
Sutter Health, Series 2015A, dated November 12, 2015	11/12/2015	8/15/2043	189,165,000	-	189,165,000
Sutter Health, Series 2016A, Dated February 3, 2016	2/3/2016	11/15/2046	475,445,000	-	475,445,000
Sutter Health, Series 2016B, Dated August 17, 2016	8/17/2016	11/15/2046	748,610,000	-	748,610,000
Sutter Health, Series 2016C, Dated August 17, 2016	8/17/2016	8/15/2053	100,000,000	-	100,000,000
Sutter Health, Series 2017A, Dated July 6, 2017	7/6/2017	11/15/2048	434,460,000	-	434,460,000
Sutter Health, Series 2018A, Dated April 4, 2018	4/4/2018	11/15/2048	619,025,000	-	619,025,000
The Help Group, Series 2012, dated November 2, 2012	11/2/2012	8/1/2037	6,210,000	785,000	5,425,000
TLC Child & Family Services, Series 2011, dated October 7, 2011	10/7/2011	9/1/2025	2,475,000	1,055,000	1,420,000
Vocational Visions, 2010 Series A, dated July 9, 2010	7/9/2010	7/1/2035	2,370,000	425,000	1,945,000
Grand Total:					$17,940,019,326

ADDITIONAL INFORMATION

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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*

Independent Auditor's Report

CHFFA 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 business-type activities of the California Health Facilities Financing Authority's (CHFFA) Bond Financing Program Fund (Bond Program), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the CHFFA Bond Program's basic financial statements, and have issued our report thereon dated May 14, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CHFFA Bond Program's internal control over financial reporting (internal control) to determine 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 CHFFA Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the CHFFA 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CHFFA 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 determination of financial statement amounts. 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 CHFFA Bond Program'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 CHFFA Bond Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

May 14, 2019