

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY**

Audited Financial Statements

June 30, 2024 and 2023

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CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

AUDITED FINANCIAL STATEMENTS

June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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

To the Board Members
California Educational Facilities Authority, California

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 September 8, 2025, 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

September 8, 2025

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2024, 2023, AND 2022

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 (FY) ended on June 30, 2024, 2023, and 2022. 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 FYs 2024, 2023, and 2022, CEFA issued bonds totaling \$151,790,000, \$303,540,000, and \$35,000,000, respectively. As of June 30, 2024, CEFA's total conduit debt issued was approximately \$14.9 billion, and the total conduit debt outstanding was approximately \$4.3 billion. As of June 30, 2023, total conduit debt issued was approximately \$14.7 billion and 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.

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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2024, 2023, AND 2022

The *Statements of Net Position* include CEFA's assets, deferred outflows, liabilities, deferred inflows, and net position for FYs 2024, 2023, and 2022 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			
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Assets</i>			
Current Assets	\$ 1,544,333	\$ 1,415,340	\$ 1,237,764
Non-Current Assets	1,555	2,593	3,631
Total Assets	<u>1,545,888</u>	<u>1,417,933</u>	<u>1,241,395</u>
<i>Deferred Outflow of Resources</i>	<u>325,705</u>	<u>331,684</u>	<u>199,016</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,871,593</u>	<u>\$ 1,749,617</u>	<u>\$ 1,440,411</u>
<i>Liabilities</i>			
Current Liabilities	\$ 41,740	\$ 39,059	\$ 31,902
Non-Current Liabilities	1,307,019	1,377,143	1,359,932
Total Liabilities	<u>1,348,759</u>	<u>1,416,202</u>	<u>1,391,834</u>
<i>Deferred Inflow of Resources</i>	<u>258,108</u>	<u>270,474</u>	<u>375,464</u>
<i>Net Position</i>			
Net Investments in Capital Assets	1,555	2,593	3,631
Restricted for Educational Purposes	263,171	60,348	(330,518)
Total Net Position	<u>264,726</u>	<u>62,941</u>	<u>(326,887)</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 1,871,593</u>	<u>\$ 1,749,617</u>	<u>\$ 1,440,411</u>

CEFA's Total Assets and Deferred Outflow of Resources was \$1,871,593 for FY 2024, which was an increase from \$1,749,617 in FY 2023. The increase was primarily driven by Current Assets, which consist primarily of cash and cash equivalents and accounts receivable of charges for services. CEFA issued two bonds under the Bond Financing Program during FY 2024, which generated approximately \$95,000 in initial fees. The increase in Current Assets can also be attributed to the timing of the collection of fees from FY 2023. Although the fee revenue decreased in FY 2024 compared to FY 2023, cash and cash equivalents increased primarily due to the timing of FY 2023 fees such as the annual administrative fee, received in FY 2024. Current Assets also includes Due From State – External Funds, which are revenues from CATCF and the California Health Facilities Financing Authority (CHFFA) programs that CEFA charges for staff time spent on programs, such as CHFFA's Healthcare Expansion Loan Program II. CEFA's Net Position is on a positive trajectory, improving year after year from a negative \$326,887 in FY2022 to a positive \$264,726 in FY 2024; this can be attributable to the solid positive returns on operations.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2024, 2023, AND 2022

The *Statements of Revenues, Expenses, and Changes in Net Position* accounts for all revenues earned and expenses incurred by CEFA for the FYs 2024, 2023, and 2022. 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			
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues			
Fee Revenue	\$ 377,340	\$ 383,782	\$ 314,535
Miscellaneous Revenue	305,504	343,457	372,613
Total Operating Revenues	<u>682,844</u>	<u>727,239</u>	<u>687,148</u>
Operating Expenses			
Personnel	334,239	189,410	192,497
Operating Expenses	193,815	170,804	142,668
Total Operating Expenses	<u>528,054</u>	<u>360,214</u>	<u>335,165</u>
Operating Income	<u>154,790</u>	<u>367,025</u>	<u>351,983</u>
Non-Operating Revenues			
Interest and Investment Income	<u>46,995</u>	<u>22,803</u>	<u>3,041</u>
Change in Net Position	<u>201,785</u>	<u>389,828</u>	<u>355,024</u>
Net Position - Beginning of Year	<u>62,941</u>	<u>(326,887)</u>	<u>(681,911)</u>
Net Position - End of Year	<u>\$ 264,726</u>	<u>\$ 62,941</u>	<u>\$ (326,887)</u>

For FY 2024, CEFA's Change in Net Position of \$201,785 reflects a decrease from \$389,828 in FY 2023. This decrease can be attributed to an increase in personnel costs, which increased from \$189,410 in FY 2023 to \$334,239 in FY 2024. A significant adjustment made to pension and other post-employment benefits accounts was the main driver in the increased personnel costs. The reduction in Fee Revenue can also be attributed to the decrease in the Change in Net Position. Fee Revenue is comprised of fees CEFA charges borrowers for an application fee (a \$1,000 fixed amount) and an initial fee. The initial fee is calculated based on a percentage of the par amount of bonds issued. While CEFA issued two bond issuances in both FY 2023 and FY 2024, because the aggregate amount of bonds in FY 2024 was lower than FY 2023, fee revenue for FY 2024 was \$377,340 and \$383,782 in FY 2023. CEFA's practice of charging staff time to CATCF and CHFFA supports CEFA's Total Operating Revenues, the amounts of which can fluctuate year-over-year depending on the CEFA staff time worked on those programs. With three years of a positive Change in Net Position, CEFA's end of year net position continued to grow in FY 2024 after being in a deficit from FY 2017 – FY 2022.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2024, 2023, AND 2022

The *Statements of Cash Flows* provide information about CEFA's cash receipts and cash payments during the FYs 2024, 2023, and 2022. 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 about 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			
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities			
Net Cash Provided (Used) by Operating Activities	<u>\$ 284,507</u>	<u>\$ (99,877)</u>	<u>\$ 233,307</u>
Cash Flows from Investing Activities			
Net Cash Provided by Investing Activities	<u>42,122</u>	<u>16,624</u>	<u>2,116</u>
Net Increase (Decrease) in Cash and Cash Equivalents	326,629	(83,253)	235,423
Beginning Cash and Cash Equivalents	<u>922,276</u>	<u>1,005,529</u>	<u>770,106</u>
Ending Cash and Cash Equivalents	<u><u>\$ 1,248,905</u></u>	<u><u>\$ 922,276</u></u>	<u><u>\$ 1,005,529</u></u>

Ending Cash and Cash Equivalents increased from \$922,276 in FY 2023 to \$1,248,905 in FY 2024. This increase is primarily due to an increase in Cash Flows from Operating Activities, which turned around from a negative \$99,877 in FY 2023 to a positive \$284,507 in FY 2024, a nearly \$384,384 turnaround. The primary reason for the turnaround in Cash Flows from Operating Activities is due to an increase of cash inflow for receipts from fees. Fees such as the annual administration fees are sometimes collected after the fiscal year end, which is then recorded in the next FY. In FY 2023 CEFA invoiced approximately \$727,000 in fees, however more than half of those fees were received in FY 2024, resulting in an increase in receipt from fees in FY 2024.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED JUNE 30, 2024, 2023, AND 2022

ANALYSIS OF FISCAL YEAR 2023/2024 BOND ACTIVITIES

Applications Received:	2
Final Resolutions Adopted:	2
Bonds Sold (not including tax-exempt commercial paper):	\$151,790,000

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

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, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,248,905	\$ 922,276
Accounts receivable	144,535	305,609
Interest receivable	12,503	7,630
Due from State - external funds	138,390	179,825
TOTAL CURRENT ASSETS	<u>1,544,333</u>	<u>1,415,340</u>
NON-CURRENT ASSETS:		
Capital assets, net	<u>1,555</u>	<u>2,593</u>
TOTAL ASSETS	<u>1,545,888</u>	<u>1,417,933</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension activities	231,744	235,016
Deferred outflow of resources - other postemployment benefits (OPEB)	93,961	96,668
	<u>325,705</u>	<u>331,684</u>
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 1,871,593</u>	<u>\$ 1,749,617</u>
CURRENT LIABILITIES		
Accounts payable	\$ 4,958	\$ 6,291
Due to State - external funds	23,033	1,882
Accrued vacation, due within one year	13,749	30,886
TOTAL CURRENT LIABILITIES	<u>41,740</u>	<u>39,059</u>
NONCURRENT LIABILITIES		
Accrued vacation	36,838	12,699
Loan payable	34,243	59,459
Net pension liability	575,792	657,083
Other postemployment benefits (OPEB) liability	660,146	647,902
TOTAL NON-CURRENT LIABILITIES	<u>1,307,019</u>	<u>1,377,143</u>
TOTAL LIABILITIES	<u>1,348,759</u>	<u>1,416,202</u>
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension activities	89,361	45,744
Deferred inflow of resources - other postemployment benefits (OPEB)	168,747	224,730
	<u>258,108</u>	<u>270,474</u>
NET POSITION		
Net investment in capital assets	1,555	2,593
Restricted for educational purposes	263,171	60,348
TOTAL NET POSITION	<u>264,726</u>	<u>62,941</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	<u>\$ 1,871,593</u>	<u>\$ 1,749,617</u>

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, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Fee revenue	\$ 377,340	\$ 383,782
Miscellaneous revenue	305,504	343,457
TOTAL OPERATING REVENUES	<u>682,844</u>	<u>727,239</u>
OPERATING EXPENSES		
Salaries and wages	264,866	230,293
Operating expenses	193,815	170,804
Pension and OPEB	(75,434)	(174,576)
Benefits and other personnel related	144,807	133,693
TOTAL OPERATING EXPENSES	<u>528,054</u>	<u>360,214</u>
OPERATING INCOME	<u>154,790</u>	<u>367,025</u>
NONOPERATING REVENUES		
Interest and investment income	46,995	22,803
TOTAL NONOPERATING REVENUES	<u>46,995</u>	<u>22,803</u>
CHANGE IN NET POSITION	201,785	389,828
Net position, beginning of year	<u>62,941</u>	<u>(326,887)</u>
NET POSITION, END OF YEAR	<u>\$ 264,726</u>	<u>\$ 62,941</u>

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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from fees	\$ 885,353	\$ 472,589
Payments to vendors	(198,175)	(195,862)
Payments for salaries and benefits	(402,671)	(376,604)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	284,507	(99,877)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	42,122	16,624
NET CASH PROVIDED BY INVESTING ACTIVITIES	42,122	16,624
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	326,629	(83,253)
Cash and cash equivalents at the beginning of the year	922,276	1,005,529
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,248,905	\$ 922,276
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating income	\$ 154,790	\$ 367,025
Depreciation	1,038	1,038
Changes in assets and liabilities		
Accounts receivable	161,074	(270,452)
Due from State	41,435	15,802
Accounts payable	(1,333)	(2,668)
Loan payable	(25,216)	(24,718)
Due to State	21,151	1,290
Accrued leave	7,002	(12,618)
Net pension liability	(81,291)	282,364
Deferred inflows/outflows	(6,387)	(237,658)
OPEB liability	12,244	(219,282)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 284,507	\$ (99,877)

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

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2024 and 2023

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.

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. The Educational Facilities Authority Fund (EFAF) is maintained within CEFA.

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

Effective January 1, 1996, legislation was passed to consolidate the California Student Loan Authority (CSLA) with 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 was 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 therefrom for the benefit of holders of CEFA's bonds. However, the Student Loan Program was closed on June 30, 2014.

Additionally, legislation in 2014 authorized CEFA to administer the College Access Tax Credit Fund (CATCF) and is responsible for allocating and certifying tax credit for individuals, businesses, and insurance companies.

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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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 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. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. 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 the year ended June 30, 2025.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement are effective during the year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resources flows in the government-wide, governmental fund, and proprietary fund statement of resources flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective during the year ended June 30, 2026.

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, 2024 and 2023, had a balance of \$179.4 billion and \$179.9 billion, respectively. The weighted average maturity of PMIA investments was 217 and 260 days as of June 30, 2024 and 2023, respectively. The total amount of deposits in SMIF was \$75.0 billion and \$70.1 billion as of June 30, 2024 and 2023, 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, 2024 and 2023, CEFA's invested funds in SMIF in the amount of \$1,243,000 and \$917,000, respectively. During the year ended June 30, 2024, CEFA

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE B – CASH AND INVESTMENTS (Continued)

earned interest and investment income in the amount of \$46,995 of which \$12,503 is receivable as of June 30, 2024. 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.

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, 2024 and 2023.

NOTE C – CAPITAL ASSETS

Capital asset activity for the fiscal years ended June 30, 2024 and 2023, was as follows:

	Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Capital assets, being depreciated and amortized:				
Equipment	\$ 12,259			\$ 12,259
Less accumulated depreciation and amortization for:				
Equipment	(9,666)	\$ (1,038)		(10,704)
NET CAPITAL ASSETS	<u>\$ 2,593</u>	<u>\$ (1,038)</u>	<u>\$ -</u>	<u>\$ 1,555</u>
	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	<u>\$ 3,631</u>	<u>\$ (1,038)</u>	<u>\$ -</u>	<u>\$ 2,593</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity of CEFA for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Compensated absence	\$ 43,585	\$ 20,751	\$ (13,749)	\$ 50,587	\$ 13,749
Loan payable	59,459		(25,216)	34,243	
Net pension liability	657,083		(81,291)	575,792	
OPEB liability	647,902	12,244		660,146	
	<u>\$ 1,408,029</u>	<u>\$ 32,995</u>	<u>\$ (120,256)</u>	<u>\$ 1,320,768</u>	<u>\$ 13,749</u>

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	
	<u>\$ 1,382,283</u>	<u>\$ 300,632</u>	<u>\$ (274,886)</u>	<u>\$ 1,408,029</u>	<u>\$ 30,886</u>

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, 2024 and 2023, was \$34,243 and \$59,459, 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, 2024 and 2023, the aggregate amount of CEFA's conduit debt obligations outstanding issued on behalf of program participants totaled \$4,304,668,630 and \$4,296,723,943, respectively.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE E – CONDUIT FINANCING ACTIVITY (Continued)

CEFA’s conduit financing activity for the year ended June 30, 2024 is as follows:

	Debt issued during fiscal year 2024 (third party debt)	Debt outstanding at June 30, 2024 (third party debt)
<u>Qualified Private Activity Debt</u>		
Qualified 501(c)(3) Nonprofit - Educational Facility Bonds	<u>\$ 151,790,000</u>	<u>\$ 4,304,668,630</u>

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

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

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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

The Plans' provisions and benefits in effect at June 30, 2024 and 2023 are summarized as follows:

	Miscellaneous Plan Tier 1		
	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Hire date			
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 2024	30.87%	30.87%	30.87%
Required employer contribution rates 2023	30.71%	30.71%	30.71%

	Miscellaneous Plan Tier 2	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
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 2024	30.87%	30.87%
Required employer contribution rates 2023	30.71%	30.71%

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, 2024 and 2023, contributions to the Plan were \$81,320 and \$74,260, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2024 and 2023, CEFA reported net pension liabilities of \$575,792 and \$657,083 for its proportionate share of the net pension liability of the Plan.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2022 and 2023 was as follows:

Proportionate share - June 30, 2023	0.0015%
Proportionate share - June 30, 2022	0.0017%
Change - Increase (Decrease)	-0.0002%
 Proportionate share - June 30, 2022	 0.0017%
Proportionate share - June 30, 2021	0.0017%
Change - Increase (Decrease)	0.0000%

For the years ended June 30, 2024 and 2023, CEFA recognized a pension credit of \$34,402 and \$26,557, respectively.

At June 30, 2024, CEFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 81,320		\$ 74,260	
Change in assumptions	29,885	\$ (1)	49,737	\$ (1)
Differences between actual and expected ex	27,593	(8,942)	10,390	(14,882)
Change in employer's proportion	23,239	(80,418)	15,000	(30,861)
Net differences between projected and actual earnings on plan investments	69,707		85,629	
Total	<u>\$ 231,744</u>	<u>\$ (89,361)</u>	<u>\$ 235,016</u>	<u>\$ (45,744)</u>

The \$81,320 and \$74,260 reported as deferred outflows of resources related to contributions subsequent to the measurement date at June 30, 2024, and 2023, respectively, will be recognized as a reduction of the net pension liability in the following fiscal year.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions at June 30, 2024 will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2025	\$ 8,482
2026	10,264
2027	39,804
2028	2,513
	<u>\$ 61,063</u>

Actuarial Assumptions: The total pension liabilities in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2024	June 30, 2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Mortality	Derived using CalPERS membership data for all funds (1)	Derived using CalPERS membership data for all funds (1)

(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.

For the June 30, 2023 and 2022 actuarial valuations 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for the June 30, 2023, and 2022 measurement dates. 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.

Asset Class	2024		2023	
	Assumed asset allocation	Real return (1) (2)	Assumed asset allocation	Real return (1) (2)
Global Equity - Cap-weighted	30.0%	4.54%	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%	12.0%	3.84%
Private Equity	13.0%	7.28%	13.0%	7.28%
Treasury	5.0%	0.27%	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%	5.0%	0.50%
Investments Grade Corporates	10.0%	1.56%	10.0%	1.56%
High Yield	5.0%	2.27%	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%	5.0%	2.48%
Private Debt	5.0%	3.57%	5.0%	3.57%
Real Assets	15.0%	3.21%	15.0%	3.21%
Leverage	(5.0)%	(0.59)%	(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 study.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

NOTE F – EMPLOYEE RETIREMENT PLAN (Continued)

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:

	<u>2024</u>	<u>2023</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 835,457	\$ 945,509
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 575,792	\$ 657,083
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 359,000	\$ 416,308

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.

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, 2023, and 2022, 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 2023 monthly State contribution was \$883 for one-party, \$1,699 for two-party coverage, and \$2,124 for family coverage. The maximum 2022 monthly State contribution was \$816 for one-party, \$1,548 for two-party coverage, and \$1,983 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

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 \$32,272 and \$31,000 for the fiscal year ended June 30, 2024 and 2023, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: At June 30, 2024 and 2023, CEFA reported a liability of \$660,146 and \$647,902, respectively, for its proportionate share of the State's Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. CEFA's proportionate share, based on its attributable employee valuation group's pensionable compensation, as of June 30, 2024 and 2023 was 0.001058% and 0.001059%, respectively.

For the fiscal year ended June 30, 2024 and 2023, CEFA recognized an OPEB credit of \$41,032 and \$148,018, 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.

At June 30, 2024 and 2023, CEFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ 32,272		\$ 31,000	
Changes in assumptions	37,004	\$ (111,593)	41,367	\$ (145,602)
Changes in non-investment experience	20,235	(55,724)	18,279	(77,350)
Changes in investment experience	4,450	(1,430)	6,022	(1,778)
Total	<u>\$ 93,961</u>	<u>\$ (168,747)</u>	<u>\$ 96,668</u>	<u>\$ (224,730)</u>

The \$32,272 and \$31,000 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in CEFA's OPEB expense as follows:

<u>Year Ending June 30</u>	
2025	\$ (29,578)
2026	(17,567)
2027	(17,789)
2028	(19,099)
2029	(16,635)
Thereafter	<u>(6,390)</u>
	<u><u>\$ (107,058)</u></u>

Actuarial Assumptions: For the measurement period ended June 30, 2023 (the measurement date), the total OPEB liability was determined using a June 30, 2023 valuation date. The June 30, 2022 beginning total OPEB liability was determined by rolling back the June 30, 2023 total OPEB liability. The June 30, 2023 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2023
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 3.86%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Health care cost trend rates	<i>Pre-Medicare coverage and Post-Medicare coverage:</i> Actual rates for 2024, increasing to 7.66% in 2025, graded down over a ten-year period until a trend rate of 4.50% in 2035, remains at 4.50% for four years until the ultimate rate of 4.25% is reached in 2039. <i>Dental coverage:</i> 0.23% in 2024, 2.00% for 2025, 3.00% for 2026, 4.00% for 2027, and 4.25% for 2028 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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

Changes in Assumptions: For the actuarial valuation as of June 30, 2023, healthcare related assumptions, including per capita healthcare cost and healthcare trend rates, were updated based on experience through June 30, 2023. The discount rate was 6.00% and the inflation rate was 2.30% as of June 30, 2023.

Discount Rate: The blended rates used to measure the June 30, 2023 total OPEB liability consist of the 20-year Municipal G.O. Bond AA Index rate of 3.86% as of June 30, 2023, 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, 2023*, 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.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11 - 40</u>
Global Equity	59.0%	4.80%	5.98%
Fixed Income	25.0%	1.10%	2.62%
Treasury Inflation-Protected Securities	5.0%	0.25%	1.46%
Real Estate Investment Trusts	8.0%	3.50%	5.00%
Commodities	3.0%	1.50%	2.87%

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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/(Asset)
Balance at June 30, 2023	\$ 684,056	\$ 36,154	\$ 647,902
Changes for the year:			
Service cost	22,463		22,463
Interest on the total OPEB liability	28,227		28,227
Contribution - employer		25,232	(25,232)
Net investment income		2,898	(2,898)
Difference between expected actual experience	5,556		5,556
Change in assumption	6,392		6,392
Employer prefunding contribution		7,040	(7,040)
Active member contribution		7,040	(7,040)
Proportionate share allocation	(8,493)	(297)	(8,196)
Administrative expense		(12)	12
Benefit payments	(25,232)	(25,232)	
Net changes	28,913	16,669	12,244
Balance at June 30, 2024	<u>\$ 712,969</u>	<u>\$ 52,823</u>	<u>\$ 660,146</u>

	Increase (Decrease)		
	Total OPEB Liability	Plan fiduciary Net Position	Net OPEB Liability/(Asset)
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 contribution		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	<u>\$ 684,056</u>	<u>\$ 36,154</u>	<u>\$ 647,902</u>

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024 and 2023

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:

	2024		
	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	\$ 773,567	\$ 660,146	\$ 567,887

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

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:

	2024		
	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	\$ 580,416	\$ 660,146	\$ 761,548

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

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

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CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (UNAUDITED)**

Last 10 Years

	June 30, 2024	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	0.0015%	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	\$ 575,792	\$ 657,083	\$ 374,719	\$ 625,775	\$ 639,436	\$ 619,197	\$ 1,122,077	\$ 1,075,056	\$ 737,826	\$ 816,426
Covered payroll - measurement period	\$ 242,911	\$ 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	237.04%	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	72.46%	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, 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	June 30, 2013
Reporting measurement date	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	June 30, 2014
Discount rate	6.90%	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 and remained 6.90% in 2024.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (UNAUDITED)

Last 10 Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 81,320	\$ 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	(81,320)	(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	\$ 257,864	\$ 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	31.54%	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, 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	June 30, 2012
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Methods and assumptions used to determine contribution rates:

Actuarial 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	Market Value	15-year smoothed market
Inflation	2.30%	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	2.80%	2.75%	2.75%	2.75%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80% ⁽¹⁾	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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

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

Measurement Period	2023	2022	2021	2020	2019	2018	2017
Proportion of the net OPEB liability	0.001058%	0.001059%	0.001213%	0.001208%	0.001244%	0.003308%	0.002210%
Proportionate share of the net OPEB liability	\$ 660,146	\$ 647,902	\$ 867,184	\$ 933,000	\$ 953,000	\$ 1,020,000	\$ 1,714,000
Covered-employee payroll	\$ 242,911	\$ 276,652	\$ 228,101	\$ 255,610	\$ 245,551	\$ 246,287	\$ 367,327
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	271.76%	234.19%	380.18%	365.01%	388.11%	414.15%	466.61%
Plan fiduciary net position as a percentage of the total OPEB liability	7.409%	5.285%	2.838%	2.748%	1.693%	1.011%	0.546%

Notes to schedule:

Valuation date	June 30, 2023	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, 2023	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, 2023, there were no changes to the benefit terms.

Change in assumptions - For the measurement period ended June 30, 2023, 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.

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

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

Fiscal year	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 32,272	\$ 31,000	\$ 32,835	\$ 32,000	\$ 31,000	\$ 29,000	\$ 25,433
Contributions in relation to the contractually required contributions	(32,272)	(31,000)	(32,835)	(32,000)	(31,000)	(29,000)	(25,433)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll - fiscal year	\$ 257,864	\$ 242,911	\$ 276,652	\$ 228,101	\$ 255,610	\$ 245,551	\$ 246,287
Contributions as a percentage of covered payroll	12.52%	12.76%	11.87%	14.03%	12.13%	11.81%	10.33%

Notes to Schedule:

Valuation date	June 30, 2023	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, 2023	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.

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SUPPLEMENTARY INFORMATION

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CEFA OUTSTANDING BOND ISSUES
JUNE 30, 2024

Bonds Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Retired	Bonds Outstanding as of June 30 2024
Art Center College of Design, Series 2018A	30-Aug-18	1-Dec-48	\$ 100,000,000	\$ 8,245,000	\$ 91,755,000
Art Center College of Design, Series 2022A	10-Feb-22	1-Dec-51	\$ 35,000,000	\$ 1,120,000	\$ 33,880,000
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	\$ 17,650,000	\$ 96,835,000
Chapman University, Series 2017A (Taxable)	16-Nov-17	1-Apr-42	\$ 111,015,000	\$ 22,665,000	\$ 88,350,000
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	\$ 13,280,000	\$ 39,715,000
Charles Drew University, Series 2014 (Private Placement)	22-Dec-14	1-Jan-42	\$ 32,875,000	\$ 4,020,000	\$ 28,855,000
Claremont McKenna College, Series 2015	3-Dec-15	1-Jan-39	\$ 111,785,000	\$ 22,435,000	\$ 89,350,000
Claremont University Consortium, Series 2011	7-Apr-11	1-Oct-35	\$ 9,000,000	\$ 5,055,000	\$ 3,945,000
Claremont University Consortium, Series 2012	2-Aug-12	1-Oct-33	\$ 8,065,000	\$ 3,290,000	\$ 4,775,000
Golden Gate University, Series 2012 (Private Placement)	19-Dec-12	1-Jan-43	\$ 46,000,000	\$ 20,993,031	\$ 25,006,969
Loma Linda University, Series 2017A	8-Mar-17	1-Apr-47	\$ 134,945,000	\$ 8,510,000	\$ 126,435,000
Loma Linda University, Series 2017B (Taxable)	8-Mar-17	1-Apr-33	\$ 43,440,000	\$ 15,800,000	\$ 27,640,000
Loyola Marymount University, Series 2001A (CAB & CIB)	14-Jun-01	1-Oct-39	\$ 75,449,126	\$ 53,755,534	\$ 21,693,592
Loyola Marymount University, Series 2013A (Taxable)	26-Mar-13	1-Oct-43	\$ 37,000,000	\$ 8,595,000	\$ 28,405,000
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	\$ 3,890,000	\$ 53,440,000
Loyola Marymount University, Series 2019	17-Sep-19	1-Oct-40	\$ 51,620,000	\$ 15,270,000	\$ 36,350,000
Mount Saint Mary's University, Series 2018A	6-Sep-18	1-Oct-46	\$ 34,940,000	\$ 1,075,000	\$ 33,865,000
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	\$ 12,785,000	\$ 21,485,000
Occidental College, Taxable Series 2013B	5-Jun-13	1-Oct-27	\$ 6,370,000	\$ 3,475,000	\$ 2,895,000
Pepperdine University, Series 2015	2-Sep-15	1-Sep-45	\$ 76,455,000	\$ 71,105,000	\$ 5,350,000
Pepperdine University, Series 2016	17-Mar-16	1-Oct-49	\$ 100,000,000	\$ 94,430,000	\$ 5,570,000
Pepperdine University, Series 2017B	21-Dec-17	1-Sep-33	\$ 20,870,000	\$ 3,750,000	\$ 17,120,000
Pomona College, Series 2005 A/2 (Capital Appreciation)	24-Feb-05	1-Jul-41	\$ 25,144,739	\$ 11,069,823	\$ 14,074,916
Saint Mary's College of California, Series 2023A	16-Nov-23	1-Oct-53	\$ 110,000,000	\$ -	\$ 110,000,000
Santa Clara University, Series 1999 (CAB & CIB)	15-Apr-99	1-Sep-26	\$ 82,181,741	\$ 65,331,291	\$ 16,850,450
Santa Clara University, Series 2015	28-Aug-15	1-Apr-45	\$ 102,230,000	\$ 14,460,000	\$ 87,770,000
Santa Clara University, Series 2017A (Taxable)	10-Aug-17	1-Apr-37	\$ 97,530,000	\$ 2,520,000	\$ 95,010,000
Santa Clara University, Series 2017B	10-Aug-17	1-Apr-40	\$ 25,035,000	\$ 2,435,000	\$ 22,600,000
Santa Clara University, Series 2017C	28-Dec-17	1-Apr-48	\$ 52,485,000	\$ 3,025,000	\$ 49,460,000
Stanford University, 2008 Tax- Exempt Commercial Paper	15-May-08	1-May-38	\$ 300,000,000	\$ -	\$ -
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, 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	\$ 30,606,577	\$ 1,171,612
University of San Francisco, 2017 Tax-Exempt Loan	21-Dec-17	1-Oct-36	\$ 31,310,000	\$ 4,903,909	\$ 26,406,091
University of San Francisco, Series 2017 (Private Placement)	3-Apr-17	1-Oct-35	\$ 75,000,000	\$ 21,175,000	\$ 53,825,000
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	\$ 4,240,000	\$ 31,640,000
University of the Pacific, Series 2014 (Private Placement)	12-May-14	1-May-34	\$ 36,500,000	\$ 29,065,000	\$ 7,435,000
University of the Pacific, Series 2015	4-Aug-15	1-Nov-36	\$ 68,005,000	\$ 17,770,000	\$ 50,235,000
University of the Pacific, Series 2023	31-Aug-23	1-Nov-53	\$ 41,790,000	\$ -	\$ 41,790,000
TOTAL BONDS OUTSTANDING					\$ 4,304,668,630

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COMPLIANCE REPORT

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

To the Board Members
California 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, 2024 and 2023, and the related notes to the financial statements, which collectively comprise CEFA's basic financial statements, and have issued our report thereon dated September 8, 2025.

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.

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

September 8, 2025