CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY BOND PROGRAM

Audited Financial Statements

June 30, 2025 and 2024

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CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

AUDITED FINANCIAL STATEMENTS

June 30, 2025 and 2024

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Board Members
California Health Facilities Financing Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Bond Financing Program Fund of the California Health Facilities Financing Authority (CHFFA) (Bond Program) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bond Program of CHFFA as of June 30, 2025 and 2024, and the changes in financial position and cash flows thereof for the years 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 the Bond Program of CHFFA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CHFFA Bond Program's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness CHFFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bond Program of CHFFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions to the Pension Plan, Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of Contributions to the OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Emphasis of Matter

As discussed in Note A, the financial statements present only the Bond Financing Program Fund and do not purport to, and do not present fairly the financial position of CHFFA as of June 30, 2025 and 2024, 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 July 7, 2026, on our consideration of the Bond Program of CHFFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bond Program of CHFFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bond Program of CHFFA's internal control over financial reporting and compliance.

Richardson & Company, LLP

July 7, 2026

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2025, 2024, AND 2023

This section of the financial statements of the California Health Facilities Financing Authority (CHFFA) presents management's discussion and analysis of the financial performance during the fiscal years (FY) that ended on June 30, 2025, 2024, and 2023. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

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

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

Conduit Financing Activity

During FYs 2025, 2024, and 2023, CHFFA issued bonds and notes, including commercial paper (collectively referred to in this discussion as "bonds"), totaling $1,005,385,000, $2,839,865,000, and $345,093,000, respectively. As of June 30, 2025, CHFFA's total conduit debt issued was approximately $51.4 billion, and the total conduit debt outstanding was approximately $17.6 billion. As of June 30, 2024, CHFFA's total conduit debt issued was approximately $50.4 billion, and the total conduit debt outstanding was approximately $17.8 billion. As of June 30, 2023, CHFFA's total conduit debt issued was approximately $47.5 billion, and the total conduit debt outstanding was approximately $16.7 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

CHFFA's financial statements report information is using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities.

The ***Statements of Net Position*** include CHFFA's assets, liabilities, and net position for FY 2025, 2024, and 2023 and provide information about the nature and amounts of investments in resources (assets) and the obligations to CHFFA's creditors (liabilities) (see Table 1).

Table 1
Statements of Net Position

	2025	2024	2023
Assets			
Current Assets	$ 17,831,519	$ 17,030,679	$ 16,032,002
Non-Current Assets	-	-	906
Total Assets	17,831,519	17,030,679	16,032,908
Deferred Outflow of Resources	1,099,851	1,168,812	1,346,296
Total Assets and Deferred Outflow of Resources	$ 18,931,370	$ 18,199,491	$ 17,379,204
Liabilities			
Current Liabilities	$ 468,136	$ 281,473	$ 234,802
Non-Current Liabilities	3,859,242	3,673,481	4,805,597
Total Liabilities	4,327,378	3,954,954	5,040,399
Deferred Inflow of Resources	970,249	1,328,221	800,564
Net Position			
Total Net Position	13,633,743	12,916,316	11,538,241
Total Liabilities, Deferred Inflow of Resources, and Net Position	$ 18,931,370	$ 18,199,491	$ 17,379,204

CHFFA's financial position continues to strengthen, as reflected in the growth of total net position to $13,633,743 in FY 2025, an increase of $717,427 from the prior year. This improvement was primarily supported by higher asset levels, which offset increases in outstanding obligations. Total assets and deferred outflows of resources reached $18,931,370 in FY 2025, representing a year-over-year increase of $731,879. The growth was largely driven by increases in current assets, particularly cash and cash equivalents, which increased to $14,583,072, from $13,321,081 the prior year. This increase was primarily due to the timing of fee collections associated with bond issuances, supported by a substantial increase in interest and investment received, which reached $634,923 in FY 2025 up from $492,758 in FY 2024. Additionally, despite lower cash receipts from fees due to decreased bond activity, net cash provided by operating activities grew to $634,496 in FY 2025 as a result of reduced expenditures paid to suppliers during the fiscal year. This upward trend indicates stronger liquidity and available resources. liabilities rose slightly to $4,327,378 in FY 2025 from $3,954,954 in FY 2024, reflecting increases in both current and long-term obligations. Despite this upward movement, the overall impact on financial position was mitigated by the continued growth in assets. Deferred inflows of resources declined to $970,249 in FY 2025 from $1,328,221, reflecting changes in actuarial-related balances associated with pension and other postemployment benefit obligations. These fluctuations are typical year-to-year adjustments based on updated assumptions and financial performance.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** account for all the revenue earned, and expenses incurred by CHFFA for FY 2025, 2024, and 2023. These statements reflect the results of CHFFA's operations in each of the respective years (see Table 2).

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

	2025	2024	2023
Operating Revenues			
Fee Revenue	$ 2,403,255	$ 2,800,283	$ 2,096,782
Miscellaneous Revenue	237,866	713,404	38,075
Total Operating Revenues	2,641,121	3,513,687	2,134,857
Operating Expenses			
Personnel	1,114,754	1,388,852	1,166,182
Pension and OPEB	97,696	(399,273)	(515,128)
Operating Expenses	1,350,022	1,689,154	967,856
Total Operating Expenses	2,562,472	2,678,733	1,618,910
Operating Income (Loss)	78,649	834,954	515,947
Non-Operating Revenues (Expenses)			
Interest Income on Investments	638,778	543,121	306,229
Transfers from Other CHFFA Funds	-	-	65
Change in Net Position	717,427	1,378,075	822,241
Net Position - Beginning of Year	12,916,316	11,538,241	10,716,000
Net Position - End of Year	$ 13,633,743	$ 12,916,316	$ 11,538,241

CHFFA's operating results moderated in FY 2025 compared to the prior year, as Total Operating Revenues declined to $2,641,121 from $3,513,687 in FY 2024. This decrease was driven by both lower Fee Revenue and Miscellaneous Revenue. Fee Revenue fell to $2,403,255 in FY 2025 from $2,800,283 in FY 2024, reflecting lower overall bond issuance activity compared to the elevated levels experienced in FY 2024. Miscellaneous Revenue also declined by $475,538 in FY 2025, primarily due to a reduction in interagency reimbursements for CHFFA staff support on the Distressed Hospital Loan Program and the conclusion of the California Educational Facilities Authority's Student Housing Revolving Loan Fund Program, which eliminated associated staff support revenues.

Total Operating Expenses decreased to $2,562,472 in FY 2025 from $2,678,733 in FY 2024. Personnel costs declined as staffing levels stabilized following prior-year increases related to filling vacancies. In addition, overall Operating Expenses decreased by $339,132 in FY 2025, largely driven by a $167,046 reduction in consulting expenditures, which fell from $380,775 in FY 2024 to $213,729 in FY 2025 due to lower bond activity during the period. Operating Income declined significantly to $78,649 in FY 2025 from $834,954 in FY 2024, reflecting the combined impact of lower revenues and modestly reduced expenses. Overall, FY 2025 financials reflect a normalization following the elevated activity in FY 2024 while still maintaining a positive change in net position.

The ***Statements of Cash Flows*** provide information about CHFFA's cash receipts and cash payments during FY 2025, 2024, and 2023. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, noncapital 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

	2025	2024	2023
Cash Flows from Operating Activities			
Net Cash Provided (Used) by Operating Activities	$ 634,496	$ 448,935	$ (1,838,171)
Cash Flows from Noncapital Financing Activities			
Net Cash Used by Noncapital Financing Activities	(7,428)	(44,535)	(43,260)
Cash Flows from Investing Activities			
Net Cash Provided (Used) by Investing Activities	634,923	492,758	231,188
Net Increase (Decrease) in Cash and Cash Equivalents	1,261,991	897,158	(1,650,243)
Cash and Cash Equivalents at Beginning of Year	13,321,081	12,423,923	14,074,166
Cash and Cash Equivalents at End of year	$ 14,583,072	$ 13,321,081	$ 12,423,923

CHFFA's cash position strengthened further in FY 2025, with Cash and Cash Equivalents increasing to $14,583,072, up from $13,321,081 in FY 2024. This growth reflects continued positive cash flow generation across both operating and investing activities. Cash Flows from Operating Activities increased to $634,496 in FY 2025 compared to $448,935 in FY 2024. This increase was primarily attributable to less cash paid to suppliers, which declined from $1,631,859 in FY 2024 to $1,285,973 in FY 2025, reflecting reduced outflows related to operating expenditures. Cash Flows from Investing Activities also contributed positively and increased by $142,165 in FY 2025. Higher interest income from investments continued to support overall cash inflows, consistent with elevated earnings on invested balances.

ANALYSIS OF FISCAL YEAR 2024/2025 ACTIVITIES

Applications Received:	**5**
Final Resolutions Adopted:	**5**
Bonds Sold:	**$1,005,385,000**

ANALYSIS OF FISCAL YEAR 2023/2024 ACTIVITIES

Applications Received:	**11**
Final Resolutions Adopted:	**12**
Bonds Sold:	**$2,839,865,000**

ANALYSIS OF FISCAL YEAR 2022/2023 ACTIVITIES

Applications Received:	**3**
Final Resolutions Adopted:	**3**
Bonds Sold:	**$345,093,000**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CHFFA's financial position and is intended for distribution to a variety of interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, California Health Facilities Financing Authority, 915 Capitol Mall, Suite 440, Sacramento, California 95814.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENTS OF NET POSITION

June 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 14,583,072	$ 13,321,081
Accounts receivable	2,471,207	2,710,067
Interest receivable	153,172	149,317
Due from external funds	624,068	850,214
TOTAL CURRENT ASSETS	17,831,519	17,030,679
TOTAL ASSETS	17,831,519	17,030,679
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources - pension activities	741,556	925,424
Deferred outflow of resources - other postemployment benefits (OPEB)	358,295	243,388
	1,099,851	1,168,812
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 18,931,370	$ 18,199,491
CURRENT LIABILITIES		
Accounts payable	$ 75,919	$ 72,575
Due to external funds	190,528	129,923
Due to other governments	100	
Accrued compensated absences, due within one year	201,589	78,975
TOTAL CURRENT LIABILITIES	468,136	281,473
NONCURRENT LIABILTIES		
Long-term accrued compensated absences	31,590	225,108
Loan payable		7,428
Net pension liability	1,756,544	1,738,868
Other postemployment benefits (OPEB) liability	2,071,108	1,702,077
TOTAL NON-CURRENT LIABILITIES	3,859,242	3,673,481
TOTAL LIABILITIES	4,327,378	3,954,954
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources - pension activities	598,981	893,555
Deferred inflow of resources - other postemployment benefits (OPEB)	371,268	434,666
	970,249	1,328,221
NET POSITION		
Restricted for health facilities financing	13,633,743	12,916,316
TOTAL NET POSITION	13,633,743	12,916,316
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 18,931,370	$ 18,199,491

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

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Fee revenue	$ 2,403,255	$ 2,800,283
Miscellaneous revenue	237,866	713,404
TOTAL OPERATING REVENUES	2,641,121	3,513,687
OPERATING EXPENSES		
Salaries and wages	724,214	901,101
Benefits and other personnel related	390,540	487,751
Pension and OPEB	97,696	(399,273)
Operating expenses	1,350,022	1,689,154
TOTAL OPERATING EXPENSES	2,562,472	2,678,733
OPERATING INCOME	78,649	834,954
NONOPERATING REVENUES (EXPENSES)		
Interest and investment income	638,778	543,121
TOTAL NONOPERATING REVENUES	638,778	543,121
CHANGE IN NET POSITION	717,427	1,378,075
Net position, beginning of year	12,916,316	11,538,241
NET POSITION, END OF YEAR	$ 13,633,743	$ 12,916,316

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

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND PROGRAM

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from fees	$ 3,106,127	$ 3,462,531
Cash paid to suppliers	(1,285,973)	(1,631,859)
Cash paid to employees	(1,185,658)	(1,381,737)
NET CASH PROVIDED BY OPERATING ACTIVITIES	634,496	448,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
SB 84 loan payment	(7,428)	(44,535)
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	(7,428)	(44,535)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and investment income received	634,923	492,758
NET CASH PROVIDED BY INVESTING ACTIVITIES	634,923	492,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,261,991	897,158
Cash and cash equivalents at the beginning of the year	13,321,081	12,423,923
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 14,583,072	$ 13,321,081
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 78,649	$ 834,954
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation		906
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	238,860	46,574
(Increase) decrease in due from other funds	226,146	(97,730)
Increase (decrease) in accounts payable and accrued liabilities	3,344	54,668
Increase (decrease) in due to other funds	60,605	1,721
Increase (decrease) in due to other governments	100	
Increase (decrease) in accrued vacation	(70,904)	7,115
Increase (decrease) in net pension liability	17,676	(1,033,931)
Increase (decrease) in net OPEB liability	369,031	(70,483)
Increase (decrease) in deferred inflows/outflows	(289,011)	705,141
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 634,496	$ 448,935

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Accounts Receivable: Accounts receivable consist primarily of initial and annual administration fees receivable from conduit bond financing borrowers. Accounts receivable are reported net of allowance for doubtful accounts of $88,691 and $36,128 as of June 30, 2025, and 2024, respectively. Management's estimate of the allowance is based on historical collection experience and a review of the current status of fees receivable.

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

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

Net Position: Net position is categorized as net investment in capital assets, restricted and unrestricted. As of June 30, 2025 and 2024, the net position of the Bond Program was classified as restricted by enabling legislation for purposes specified in the Act and as described in Note A.

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

Compensated Absences: CHFFA accrues unpaid vacation, personnel holiday, excess hours, compensating hours, holiday credit and personal leave that is payable when employees separate from employment. CHFFA also accrues sick leave expected to be used for time off. Unused vacation may be accumulated up to a specified maximum and is paid at the time of termination from employment. Accrued vacation and sick leave follow state employees from agency to agency and are not necessarily

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

earned since the inception of CHFFA's fund. Sick leave is accrued based on estimated usage. The cost of compensated absences is recorded in the period earned. Additional information on compensated absences is contained in the financial statements of the State of California for the years ended June 30, 2025 and 2024.

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

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

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

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements: In 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. CHFFA implemented this statement during the year ended June 30, 2025. The effect of this change was immaterial and net position has not been restated as a result.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements.* This Statement was a result in changes to the financial reporting model including the Management's Discussion and Analysis, display of inflows and outflows of unusual and infrequent items, and changing the definition of proprietary fund nonoperating revenues and expenses. The provisions of this Statement are effective for years beginning after June 15, 2025.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*, which is designed to improved the financial reporting requirements for subsequent events. The requirements of Statement 105 are effective for fiscal years beginning after June 15, 2026.

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

NOTE B – CASH AND INVESTMENTS

Deposits in SMIF: The Bond Program's cash is held in the State's Surplus Money Investment Fund (SMIF). SMIF is part of the State's Pooled Money Investment Account (PMIA), which as of June 30, 2025 and 2024, had a balance of $180.4 billion and $179.4 billion, respectively. The weighted average maturity of PMIA investments was 248 and 217 days as of June 30, 2025 and 2024, respectively. The total amount of deposits in SMIF was $72.5 billion and $75.0 billion as of June 30, 2025 and 2024, 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 the Bond Program's investment in this pool is reported in the accompanying financial statements at amounts based up on the Bond Program's pro-rata share of the fair value provided by SMIF for the entire SMIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by SMIF, which are recorded on an amortized cost basis. As of June 30, 2025 and 2024, CHFFA's Bond Program invested funds in SMIF in the amount of $14,571,000 and $13,301,000, respectively.

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, 2025 and 2024.

NOTE C – LONG-TERM LIABILITIES

The following is a summary of liability activity of the Bond Program for the years ended June 30, 2025 and 2024:

	Balance June 30, 2024	Additions	Repayments	Balance June 30, 2025	Due Within One Year
Compensated absences	$ 304,083		$ (70,904)	$ 233,179	$201,589
Loan payable	7,428		(7,428)	-	
Net pension liability	1,738,868	17,676		1,756,544	
OPEB liability	1,702,077	369,031		2,071,108	
	$ 3,752,456	$ 386,707	$ (78,332)	$ 4,060,831	$201,589

NOTE C – LONG-TERM LIABILITIES (Continued)

	Balance June 30, 2023	Additions	Repayments	Balance June 30, 2024	Due Within One Year
Compensated absences	$ 296,968	$ 7,115		$ 304,083	$ 78,975
Loan payable	51,963		$ (44,535)	7,428	
Net pension liability	2,772,799		(1,033,931)	1,738,868	
OPEB liability	1,772,560		(70,483)	1,702,077	
	$ 4,894,290	$ 7,115	$(1,148,949)	$ 3,752,456	$ 78,975

Note: The change in the compensated absences liability is presented as a net change.

Loan Payable: During the fiscal year ended June 30, 2018, SMIF made a contribution to the Plan on behalf of CHFFA, as required by Senate Bill No. 84, Chapter 50, Statutes of 2017 (SB 84), to fund future Net Pension Liabilities. CHFFA established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by CHFFA by June 30, 2030. The outstanding balance on the loan payable as of June 30, 2024 was $7,428. The loan payable was repaid as of June 30, 2025.

NOTE D – CONDUIT FINANCING ACTIVITY

CHFFA acts as a conduit by assisting eligible borrowers with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds. The financings are secured by the full faith and credit of the participating institutions, and CHFFA has no obligation for the repayment of the bonds beyond the resources provided by the participating institution. As a result, the financing obligations are not recorded in CHFFA's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty. As of June 30, 2025 and 2024, the aggregate amount of CHFFA's conduit debt obligations outstanding issued on behalf of program participants totaled $17,624,587,800 and $16,716,214,935, respectively.

CHFFA's conduit financing activity for the year ended June 30, 2025 is as follows:

Qualified Private Activity Debt	Debt issued during fiscal year 2025 (third party debt)	Debt outstanding at June 30, 2025 (third party debt)
Qualified 501(c)(3) Nonprofit - Hospital and Health Care Bonds	$ 2,839,865,000	$ 17,624,587,800
	$ 2,839,865,000	$ 17,624,587,800

NOTE D – CONDUIT FINANCING ACTIVITY (Continued)

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

Qualified Private Activity Debt	Debt issued during fiscal year 2024 (third party debt)	Debt outstanding at June 30, 2024 (third party debt)
Qualified 501(c)(3) Nonprofit - Hospital and Health Care Bonds	$ 345,093,000	$ 16,716,214,935
	$ 345,093,000	$ 16,716,214,935

NOTE E – EMPLOYEE RETIREMENT PLAN

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

- Miscellaneous Plan Tier 1
- Miscellaneous Plan Tier 2

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.

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

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

The Plans' provisions and benefits in effect at June 30, 2025 and 2024 are summarized as follows:

	Miscellaneous Plan Tier 1		
Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.46% to 2.418%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	8.00%	8.00%
Required employer contribution rates 2025	31.39%	31.39%	31.39%
Required employer contribution rates 2024	30.87%	30.87%	30.87%

	Miscellaneous Plan Tier 2	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	0.5% to 1.25%	0.65% to 1.25%
Required employee contribution rates	0.00%	0.00%
Required employer contribution rates 2025	31.39%	31.39%
Required employer contribution rates 2024	30.87%	30.87%

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS.

The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. CHFFA's Bond Program is required to contribute the difference between the actuarially determined rate

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

and the contribution rate of employees. For the years ended June 30, 2025 and 2024, contributions to the Plan were $181,079 and $264,333, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2025 and 2024, the Bond Program reported net pension liabilities of $1,756,544 and $1,738,868, respectively, for its proportionate share of the net pension liability of the Plan.

The Bond Program's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2024, 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, 2023 rolled forward to June 30, 2024 using standard update procedures. The Bond Program's proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Bond Program's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

Proportionate share - June 30, 2024	0.005064%
Proportionate share - June 30, 2023	0.004525%
Change - Increase (Decrease)	0.000539%

Proportionate share - June 30, 2023	0.004525%
Proportionate share - June 30, 2022	0.007334%
Change - Increase (Decrease)	-0.002809%

For the years ended June 30, 2025 and 2024 the Bond Program recognized pension credits of $93,630 and $214,563, respectively.

At June 30, 2025 and 2024, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 181,079		$ 264,333	
Change in assumptions	57,094		90,259	
Differences between actual and expected experience	94,669	$ (17,082)	83,329	$ (27,004)
Change in employer's proportion	324,325	(581,899)	276,991	(866,551)
Net differences between projected and actual earnings on plan investments	84,389		210,512	
Total	$ 741,556	$ (598,981)	$ 925,424	$ (893,555)

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

The $181,079 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30	
2025	$ (51,684)
2026	14,910
2027	17,824
2028	(19,554)
	$ (38,504)

Actuarial Assumptions: The total pension liabilities in the June 30, 2024 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2025	June 30, 2024
Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
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 for 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, 2024 and 2023 actuarial valuation post-retirement benefit increases are based on contract COLA up to 2.30% until Purchasing Power Allowance floor on purchasing power applies, 2.30% thereafter.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for the June 30, 2024 and 2023 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

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

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

	2025	
Asset Class	Assumed asset allocation	Real return (1) (2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investments Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021 Asset Liability Management study.

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

	2024	
Asset Class	Assumed asset allocation	Real return (1) (2)
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investments Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

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

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

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

	2025	2024
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 2,665,913	$ 2,523,047
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 1,756,544	$ 1,738,868
1% Increase	7.90%	7.90%
Net Pension Liability	$ 997,510	$ 1,084,165

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

NOTE F – 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, 2024 and 2023 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 member 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 2024 monthly State contribution was $983 for one-party, $1,890 for two-party coverage, and $2,366 for family coverage. The maximum 2023 monthly State contribution was $883 for one-party, $1,699 for two-party coverage, and $2,124 for family coverage. To be eligible for these benefits, primary government first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment to be eligible to receive these benefits.

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

CHFFA participates in the State's Plan on a cost-sharing basis. The State funds the cost of providing health and dental insurance to annuitants primarily on a pay-as-you-go basis. The State obtains an annual actuarial valuation of the State's Plan which can be found on the SCO's website, at www.sco.ca.gov. Contributions to the State's Plan from the Bond Program were $110,864 and $81,130 for the fiscal years ended June 30, 2025 and 2024, respectively.

Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB: At June 30, 2025 and 2024, the Bond Program reported a liability of $2,071,108 and $1,702,077, respectively, for its proportionate share of the State's Plan net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Bond Program's proportionate share, based on its attributable employee valuation groups pensionable compensation, as of June 30, 2024 and 2022 was 0.003098% and 0.002709%, respectively.

For the fiscal year ended June 30, 2025 the Bond program recognized an OPEB expense of $190,726. For the fiscal year ended June 30, 2024 the Bond Program recognized an OPEB credit of $184,710. The SCO's policy is to fully expense each year's proportionate share change adjustment. CHFFA followed this policy and fully expensed its proportionate share change adjustment.

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

At June 30, 2025 and 2024, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 110,864		$ 81,310	
Changes in assumptions	91,368	$ (259,487)	94,669	$ (287,841)
Changes in non-investment experience	147,629	(102,197)	56,036	(143,175)
Changes in investment experience	8,434	(9,584)	11,373	(3,650)
Total	$ 358,295	$ (371,268)	$ 243,388	$ (434,666)

The $110,864 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in the Bond Program's OPEB expense as follows:

Year Ending June 30	
2025	$ (36,176)
2026	(37,395)
2027	(41,153)
2028	(34,157)
2029	(4,970)
Thereafter	30,014
	$ (123,837)

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

Actuarial Assumptions: For the measurement period ended June 30, 2024 (the measurement date), the total OPEB liability was determined using a June 30, 2023 valuation date. The June 30, 2023 beginning total OPEB liability was determined by rolling back the June 30, 2024 total OPEB liability. The June 30, 2024 total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2024
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 3.97%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Health care cost trend rates	*Pre-Medicare coverage and Post-Medicare coverage* : Actual rates for 2025, decreasing to 6.01% in 2026, graded down over a nine-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 2040. *Dental coverage* : 0% in 2025, 2.00% for 2026, 3.00% for 2027, 4.00% for 2028, and 4.25% for 2029 and beyond.
Mortality Rate Table	Derived using CalPERS' Membership data for all members

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

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

Changes in Assumptions: For the actuarial valuation as of June 30, 2024, healthcare related assumptions, including per capita healthcare cost and healthcare trend rates, were updated based on experience through June 30, 2024. The discount rate was 6.00% and the inflation rate was 2.30% as of June 30, 2024 and 2023.

Discount Rate: The blended rates used to measure the June 30, 2024 total OPEB liability consist of the 20-year Municipal G.O. Bond AA Index rate of 3.97% as of June 30, 2024, 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.

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

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, 2024*, 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 5 years) and the long-term (6-20 years), and an average inflation assumption of 2.30%, a single expected nominal return rate of 6.00% was calculated for the combined short-term and long-term periods. If applied to expected cash flows during that period, the resulting present value of benefits is expected to be consistent with the present value of benefits that would be determined by applying the short and long-term expected rates to the same cash flows.

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

Asset Class	Target Asset Allocation	Real Return Years 1 - 5	Real Return Years 6 - 20
Global Equity	49.0%	4.40%	4.50%
Fixed Income	23.0%	(1.00)%	2.20%
Treasury Inflation-Protected Securitie	5.0%	(1.80)%	1.30%
Real Estate Investment Trusts	20.0%	3.00%	3.90%
Commodities	3.0%	0.80%	1.20%

NOTE F – 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, 2024	$ 1,837,137	$ 135,060	$ 1,702,077
Changes for the year:			
Service cost	67,257		67,257
Interest on the total OPEB liability	89,747		89,747
Contribution - employer		110,864	(110,864)
Net investment income		19,561	(19,561)
Difference between expected actual experience	111,496		111,496
Change in assumption	15,239		15,239
Employer prefunding conribution		19,903	(19,903)
Active member contribution		19,903	(19,903)
Proportionate share allocation	242,386	18,060	224,326
Administrative expense		(56)	56
Benefit payments	(79,723)	(110,864)	31,141
Net changes	446,402	77,371	369,031
Balance at June 30, 2025	$ 2,283,539	$ 212,431	$ 2,071,108

	Increase (Decrease)		
	Total OPEB Liability	Plan fiduciary Net Position	Net OPEB Liability/(Asset
Balance at June 30, 2023	$ 1,870,621	$ 98,061	$ 1,772,560
Changes for the year:			
Service cost	57,844		57,844
Interest on the total OPEB liability	72,636		72,636
Contribution - employer		64,597	(64,597)
Net investment income		7,408	(7,408)
Difference between expected actual experience	16,384		16,384
Change in assumption	16,172		16,172
Employer prefunding conribution		18,018	(18,018)
Active member contribution		18,018	(18,018)
Proportionate share allocation	(131,923)	(6,414)	(125,509)
Administrative expense		(31)	31
Benefit payments	(64,597)	(64,597)	
Net changes	(33,484)	36,999	(70,483)
Balance at June 30, 2024	$ 1,837,137	$ 135,060	$ 1,702,077

NOTE F – 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 the Bond Program's proportionate share of the net OPEB liability, as well as what the Bond Program's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	2025		
	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$ 2,434,596	$ 2,071,108	$ 1,775,445

	2024		
	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$ 1,994,727	$ 1,702,077	$ 1,464,076

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

	2025		
	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$1,748,329	$2,071,108	$2,481,449

	2024		
	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$1,496,434	$1,702,077	$1,963,622

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

	June 30, 2025	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
Proportion of the net pension liability	0.005064%	0.004525%	0.007334%	0.006609%	0.007290%	0.007237%	0.006468%	0.006921%	0.007373%	0.007546%
Proportionate share of the net pension liability	$ 1,756,544	$ 1,738,868	$ 2,772,799	$ 1,473,174	$ 2,534,259	$ 2,434,049	$ 2,031,855	$ 2,528,699	$ 2,441,532	$ 2,131,122
Covered payroll - measurement period	$ 838,182	$ 714,820	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232	$ 877,791
Proportionate share of the net pension liability as a percentage of covered payroll	209.57%	243.26%	260.50%	125.48%	256.11%	258.08%	251.45%	303.83%	297.66%	242.78%
Plan fiduciary net position as a percentage of the total pension liability	76.04%	72.46%	71.63%	82.39%	71.51%	71.34%	71.83%	66.42%	66.81%	70.68%

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

Changes in assumptions: The discount rate was changed from 7.65% in 2016 and to 7.15% in 2017 and remained 7.15% in 2018, 2019, 2020, 2021 and 2022 and was changed to 6.90% in 2023.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	$ 181,079	$ 264,333	$ 236,379	$ 283,704	$ 250,120	$ 305,200	$ 274,072	$ 236,613	$ 249,662	$ 200,708
Contributions in relation to the actuarially determined contributions	(181,079)	(264,333)	(236,379)	(283,704)	(250,120)	(305,200)	(274,072)	(484,930)	(249,662)	(200,708)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (248,317)	$ -	$ -
Covered payroll - fiscal year	$ 706,792	$ 838,182	$ 714,820	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232
Contributions as a percentage of covered - employee payroll	25.62%	31.54%	33.07%	26.65%	21.30%	30.84%	29.06%	29.28%	30.00%	24.47%

Notes to Schedule:

Valuation Date:	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:										
Acturial cost method	Entry age normal									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	Varies, not more than 30 years									
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%	2.625%	2.50%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service									
Payroll growth	2.800%	2.800%	2.750%	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80% [1]	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]

Notes to Schedule:
[1] Net of administrative expenses, includes inflation.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.003098%	0.002709%	0.002875%	0.003495%	0.002824%	0.001843%	0.005013%	0.006970%
Proportiate share of the net OPEB liability	$ 2,071,108	$ 1,702,077	$ 1,772,560	$ 2,511,804	$ 2,187,558	$ 712,140	$ 1,545,397	$ 3,747,063
Covered-employee payroll - measurement period	$ 838,182	$ 714,820	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	247.10%	238.11%	166.53%	213.94%	221.07%	75.51%	191.25%	450.22%
Plan fiduciary net position as a percentage of the total OPEB liability	9.303%	7.352%	5.242%	2.817%	2.748%	1.690%	1.011%	0.546%
Notes to schedule:								
Valuation date	June 30, 2024	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, 2024	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, 2025, there were no changes to the benefit terms.

Change in assumptions - For the measurement period ended June 30, 2025, healthcare-related assumptions were updated based on experience through June 30, 2023.

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 HEALTH FACILITIES FINANCING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 110,864	$ 81,310	$ 128,254	$ 91,836	$ 106,521	$ 85,399	$ 21,712	$ 71,429
Contributions in relation to the contractually required contributions	(110,864)	(81,310)	(128,254)	(91,836)	(106,521)	(85,399)	(21,712)	(71,429)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 706,792	$ 838,182	$ 714,820	$ 1,064,396	$ 1,174,062	$ 989,526	$ 943,146	$ 808,058
Contributions as a percentage of covered payroll	15.69%	9.70%	17.94%	8.63%	9.07%	8.63%	2.30%	8.84%
Notes to Schedule:								
Valuation date	June 30, 2024	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, 2024	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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CHFFA OUTSTANDING BOND ISSUES
AS OF June 30, 2025

Issue Name	Type	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Defeased/Retired	Bonds Outstanding as of June 30, 2025
Adventist Health System/West, 1998 Series B	PUBLIC	1998-Feb-18	2028-Sep-01	$ 42,200,000	$ 32,100,000	$ 10,100,000
Adventist Health System/West, 2009 Series B	PUBLIC	2009-May-20	2038-Sep-01	$ 30,000,000	$ 0	$ 30,000,000
Adventist Health System/West, Series 2013A	PUBLIC	2013-Feb-14	2043-Mar-01	$ 290,365,000	$ 86,630,000	$ 203,735,000
Adventist Health System/West, Series 2016A	PUBLIC	2016-Sep-08	2039-Mar-01	$ 280,010,000	$ 84,830,000	$ 195,180,000
Adventist Health System/West, Series 2022A	PUBLIC	2022-Dec-15	2040-Mar-01	$ 92,105,000	$ 0	$ 92,105,000
Adventist Health System/West, Series 2023A	PRIVATE	2023-Dec-12	2054-Mar-01	$ 95,000,000	$ 0	$ 95,000,000
Adventist Health System/West, Series 2023B	PUBLIC	2023-Dec-21	2041-Mar-01	$ 77,095,000	$ 3,895,000	$ 73,200,000
Adventist Health System/West, Series 2024A	PUBLIC	2024-May-23	2044-Dec-01	$ 604,530,000	$ 0	$ 604,530,000
AltaMed Health Services Corporation, Series 2022	PRIVATE	2022-Sep-30	2043-Nov-01	$ 129,568,000	$ 14,251,000	$ 115,317,000
Asian Community Center of Sacramento Valley, Inc., Series 2016	PUBLIC	2016-Nov-22	2037-Apr-01	$ 16,080,000	$ 4,865,000	$ 11,215,000
Casa Colina, Series 2016	PRIVATE	2016-Sep-30	2041-Apr-01	$ 36,400,000	$ 7,390,000	$ 29,010,000
Catholic Healthcare West, 2011 Series B	PUBLIC	2011-Nov-09	2047-Mar-01	$ 75,000,000	$ 0	$ 75,000,000
Catholic Healthcare West, 2011 Series C	PUBLIC	2011-Nov-09	2047-Mar-01	$ 75,000,000	$ 0	$ 75,000,000
Cedars-Sinai Health System, Series 2021A	PUBLIC	2021-Dec-01	2051-Aug-15	$ 1,034,365,000	$ 0	$ 1,034,365,000
Cedars-Sinai Medical Center, Series 2015	PUBLIC	2015-Nov-17	2034-Nov-15	$ 370,220,000	$ 104,210,000	$ 266,010,000
Cedars-Sinai Medical Center, Series 2016A	PUBLIC	2016-Nov-09	2036-Aug-15	$ 267,420,000	$ 51,945,000	$ 215,475,000
Cedars-Sinai Medical Center, Series 2016B	PUBLIC	2016-Nov-09	2039-Aug-15	$ 402,305,000	$ 8,940,000	$ 393,365,000
Children's Hospital Los Angeles, Series 2017A	PUBLIC	2017-Jun-06	2049-Aug-15	$ 274,520,000	$ 0	$ 274,520,000
Children's Hospital Los Angeles, Series 2025A	PRIVATE	2025-Mar-06	2051-Nov-15	$ 135,830,000	$ 0	$ 135,830,000
Children's Hospital of Orange County, Series 2019A	PUBLIC	2019-Aug-06	2038-Nov-01	$ 88,390,000	$ 24,480,000	$ 63,910,000
Children's Hospital of Orange County, Series 2021A	PUBLIC	2021-Aug-03	2041-Nov-01	$ 96,025,000	$ 2,420,000	$ 93,605,000
Children's Hospital of Orange County, Series 2021B	PUBLIC	2021-Aug-03	2038-Nov-01	$ 83,330,000	$ 0	$ 83,330,000
Children's Hospital of Orange County, Series 2024A (Fixed)	PUBLIC	2024-Mar-20	2054-Nov-01	$ 58,650,000	$ 0	$ 58,650,000
Children's Hospital of Orange County, Series 2024B (Long Term)	PUBLIC	2024-Mar-20	2054-Nov-01	$ 118,410,000	$ 0	$ 118,410,000
City of Hope, Series 2017A	PRIVATE	2017-Feb-10	2042-Nov-15	$ 32,680,000	$ 0	$ 32,680,000
City of Hope, Series 2017B	PRIVATE	2017-Feb-10	2042-Nov-15	$ 32,680,000	$ 0	$ 32,680,000
City of Hope, Series 2019	PUBLIC	2019-Jul-31	2049-Nov-15	$ 334,905,000	$ 60,000,000	$ 274,905,000
City of Hope, Series 2025	PRIVATE	2025-Jun-12	2039-Nov-15	$ 189,140,000	$ 0	$ 189,140,000
CommonSpirit Health, Series 2020A	PUBLIC	2020-Oct-28	2049-Apr-01	$ 577,060,000	$ 0	$ 577,060,000
CommonSpirit Health, Series 2024A	PUBLIC	2024-Mar-20	2054-Dec-01	$ 285,190,000	$ 0	$ 285,190,000
Community Program for Persons with Developmental Disabilities, 2011 Series A	PUBLIC	2011-Feb-17	2026-Feb-01	$ 44,725,000	$ 40,435,000	$ 4,290,000
Community Program for Persons with Developmental Disabilities, 2011 Series B	PUBLIC	2011-Feb-17	2026-Feb-01	$ 32,245,000	$ 28,900,000	$ 3,345,000
Dignity Health, 2012 Series A	PRIVATE	2012-Jun-27	2028-Mar-01	$ 140,000,000	$ 28,800,000	$ 111,200,000
Dignity Health, Series 2016A	PRIVATE	2016-Dec-06	2042-Mar-01	$ 270,095,000	$ 64,985,000	$ 205,110,000
El Camino Hospital, Series 2017	PUBLIC	2017-Mar-14	2047-Feb-01	$ 292,435,000	$ 31,735,000	$ 260,700,000
El Camino Hospital, Series 2025A	PUBLIC	2025-Jun-10	2048-Feb-01	$ 155,055,000	$ 0	$ 155,055,000
El Camino Hospital, Series 2025B	PUBLIC	2025-Jun-10	2045-Feb-01	$ 59,240,000	$ 0	$ 59,240,000
El Camino Hospital, Series 2025C	PUBLIC	2025-Jun-10	2055-Feb-01	$ 50,000,000	$ 0	$ 50,000,000
Episcopal Communities & Services, Series 2024A	PUBLIC	2024-Jan-24	2058-Nov-15	$ 30,000,000	$ 0	$ 30,000,000
Episcopal Communities & Services, Series 2024B	PUBLIC	2024-Jan-24	2058-Nov-15	$ 75,515,000	$ 0	$ 75,515,000
Equipment Loan Program (BofA) Marin General Hospital, Series 2022A	PRIVATE	2022-Jul-13	2029-Jul-13	$ 20,000,000	$ 7,668,556	$ 12,331,445
Kaiser Permanente, 2006 Series C [RE-OFFERED Oct. 31, 2019]	PUBLIC	2006-Jun-08	2041-Jun-01	$ 325,000,000	$ 73,800,000	$ 251,200,000
Kaiser Permanente, 2006 Series E	PUBLIC	2006-Jun-08	2040-Nov-01	$ 175,000,000	$ 0	$ 175,000,000
Kaiser Permanente, Series 2017A	PUBLIC	2017-May-03	2051-Nov-01	$ 1,747,015,000	$ 0	$ 1,747,015,000
LA BioMed, Series 2018	PUBLIC	2018-Aug-28	2048-Sep-01	$ 49,835,000	$ 4,050,000	$ 45,785,000
Lincoln Glen Manor for Senior Citizens, Series 2015	PUBLIC	2015-Feb-11	2036-Apr-01	$ 11,965,000	$ 2,805,000	$ 9,160,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series A	PUBLIC	2016-Mar-31	2033-Aug-15	$ 76,975,000	$ 26,470,000	$ 50,505,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series B	PUBLIC	2016-Mar-31	2055-Aug-15	$ 100,000,000	$ 0	$ 100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2017 Series A	PUBLIC	2017-Aug-17	2056-Nov-15	$ 200,000,000	$ 15,450,000	$ 184,550,000
Lucile Salter Packard Children's Hospital at Stanford, 2022 Series A	PUBLIC	2022-May-17	2051-May-15	$ 206,670,000	$ 15,600,000	$ 191,070,000
Lucile Salter Packard Children's Hospital at Stanford, 2024 Series A	PRIVATE	2024-Jun-25	2043-Aug-15	$ 91,035,000	$ 0	$ 91,035,000
Lucile Salter Packard Children's Hospital at Stanford, 2024 Series B	PRIVATE	2024-Jun-25	2043-Aug-15	$ 89,280,000	$ 0	$ 89,280,000

CHFFA OUTSTANDING BOND ISSUES
AS OF June 30, 2025

Issue Name	Type	Date Issued	Date of Final Maturity	Total Bonds Issued	Bonds Defeased/Retired	Bonds Outstanding as of June 30, 2025
Marshall Medical Center, Series 2015	PUBLIC	2015-Apr-09	2033-Nov-01	$ 26,895,000	$ 7,760,000	$ 19,135,000
Marshall Medical Center, Series 2020A	PUBLIC	2020-Apr-27	2050-Nov-01	$ 46,975,000	$ 0	$ 46,975,000
Marshall Medical Center, Series 2020B (Taxable)	PUBLIC	2020-Apr-27	2050-Nov-01	$ 21,900,000	$ 2,600,000	$ 19,300,000
Memorial Health Services, Series 2013A	PUBLIC	2013-Nov-20	2043-Oct-01	$ 50,000,000	$ 0	$ 50,000,000
Memorial Health Services, Series 2016A	PRIVATE	2016-Sep-30	2028-Oct-01	$ 50,000,000	$ 21,740,000	$ 28,260,000
Memorial Health Services, Series 2016B	PRIVATE	2016-Sep-30	2028-Oct-01	$ 65,000,000	$ 28,260,000	$ 36,740,000
Montecito Retirement Association, Series 2017B	PRIVATE	2017-Jun-22	2032-Jun-01	$ 16,000,000	$ 2,765,645	$ 13,234,355
No Place Like Home Program, Series 2019 (Social Bonds - Fed Taxable)	PUBLIC	2019-Nov-19	2034-Jun-01	$ 500,000,000	$ 194,960,000	$ 305,040,000
No Place Like Home Program, Series 2020 (Social Bonds - Fed Taxable)	PUBLIC	2020-Nov-04	2035-Jun-01	$ 450,000,000	$ 195,500,000	$ 254,500,000
No Place Like Home Program, Series 2022 (Social Bonds - Fed Taxable)	PUBLIC	2022-Apr-07	2041-Jun-01	$ 1,050,000,000	$ 32,115,000	$ 1,017,885,000
Northern California Presbyterian Homes and Services, Inc., Series 2015	PUBLIC	2015-Apr-15	2044-Jul-01	$ 63,210,000	$ 11,890,000	$ 51,320,000
On Lok Senior Health Services, Series 2020 (Social Bonds)	PUBLIC	2020-Nov-19	2055-Aug-01	$ 39,680,000	$ 2,135,000	$ 37,545,000
On Lok Senior Health Services, Series 2024	PRIVATE	2024-Mar-28	2058-Aug-01	$ 55,000,000	$ 0	$ 55,000,000
Paradise Valley Estates Project (NCROC), Series 2013	PUBLIC	2013-Apr-04	2026-Jan-01	$ 32,315,000	$ 29,155,000	$ 3,160,000
Petaluma Health Center, Inc., 2016 Series A	PUBLIC	2016-Sep-13	2040-Jun-01	$ 5,775,000	$ 1,575,000	$ 4,200,000
PIH Health, Series 2020A	PUBLIC	2020-Oct-08	2050-Jun-01	$ 171,520,000	$ 4,965,000	$ 166,555,000
PIH Health, Series 2020B (Federally Taxable)	PUBLIC	2020-Oct-08	2047-Jun-01	$ 107,435,000	$ 0	$ 107,435,000
Providence Health & Services, Series 2014A	PUBLIC	2014-Jun-26	2038-Oct-01	$ 275,850,000	$ 123,385,000	$ 152,465,000
Providence Health & Services, Series 2014B	PUBLIC	2014-Aug-06	2044-Oct-01	$ 118,740,000	$ 0	$ 118,740,000
Providence St. Joseph Health, Series 2016A	PUBLIC	2016-Sep-28	2047-Oct-01	$ 448,165,000	$ 18,575,000	$ 429,590,000
Providence St. Joseph Health, Series 2016B-3	PUBLIC	2016-Sep-28	2036-Oct-01	$ 95,245,000	$ 0	$ 95,245,000
Providence St. Joseph Health, Series 2019B	PUBLIC	2019-Oct-01	2039-Oct-01	$ 118,535,000	$ 0	$ 118,535,000
Providence St. Joseph Health, Series 2019C	PUBLIC	2019-Oct-15	2039-Oct-01	$ 323,760,000	$ 152,335,000	$ 171,425,000
Scripps Health, Series 2016A	PRIVATE	2016-Feb-29	2025-Oct-01	$ 50,000,000	$ 47,420,000	$ 2,580,000
Scripps Health, Series 2016B	PRIVATE	2016-Feb-29	2025-Oct-01	$ 100,000,000	$ 90,000,000	$ 10,000,000
Scripps Health, Series 2017A	PRIVATE	2017-Jan-31	2031-Oct-01	$ 160,000,000	$ 28,945,000	$ 131,055,000
Scripps Health, Series 2019A (Refunding)	PRIVATE	2019-Nov-15	2036-Nov-15	$ 99,360,000	$ 3,360,000	$ 96,000,000
Scripps Health, Series 2024A	PUBLIC	2024-Feb-07	2044-Nov-15	$ 540,680,000	$ 0	$ 540,680,000
Scripps Health, Series 2024B	PUBLIC	2024-Feb-07	2061-Nov-15	$ 267,335,000	$ 0	$ 267,335,000
Scripps Health, Series 2024C-1	PUBLIC	2024-Feb-07	2063-Nov-15	$ 95,800,000	$ 0	$ 95,800,000
Scripps Health, Series 2024C-2	PUBLIC	2024-Feb-07	2063-Nov-15	$ 95,800,000	$ 0	$ 95,800,000
St. Joseph Health System, 2009 Series C [RE-OFFERED on Oct. 16, 2015]	PUBLIC	2009-Aug-27	2034-Jul-01	$ 110,540,000	$ 72,330,000	$ 38,210,000
St. Joseph Health System, 2009 Series D [RE-OFFERED on Oct. 18, 2016]	PUBLIC	2009-Aug-27	2034-Jul-01	$ 56,150,000	$ 16,600,000	$ 39,550,000
St. Joseph Health System, Series 2013A	PUBLIC	2013-Jul-24	2029-Jul-01	$ 324,840,000	$ 294,280,000	$ 30,560,000
Stanford Health Care 2015 Series A	PUBLIC	2015-Jun-30	2054-Aug-15	$ 100,000,000	$ 0	$ 100,000,000
Stanford Health Care, 2017 Series A (Refunding)	PUBLIC	2017-Dec-28	2040-Nov-15	$ 454,200,000	$ 47,850,000	$ 406,350,000
Stanford Health Care, 2020 Series A	PUBLIC	2020-Apr-01	2050-Aug-15	$ 170,120,000	$ 0	$ 170,120,000
Stanford Health Care, 2023 Series A	PUBLIC	2023-Sep-27	2033-Aug-15	$ 260,545,000	$ 0	$ 260,545,000
Stanford Health Care, 2025 Series A	PUBLIC	2025-Jun-12	2054-Aug-15	$ 149,580,000	$ 0	$ 149,580,000
Stanford Health Care, 2025 Series B	PUBLIC	2025-Jun-12	2035-Aug-15	$ 266,540,000	$ 0	$ 266,540,000
Stanford Hospital and Clinics, 2008 Series B-1	PUBLIC	2008-Jun-02	2045-Nov-15	$ 84,100,000	$ 0	$ 84,100,000
Stanford Hospital and Clinics, 2008 Series B-2 [RE-OFFERED on June 15, 2011, two subseries (1,2) each $42,050,000]	PUBLIC	2008-Jun-02	2045-Nov-15	$ 84,100,000	$ 0	$ 84,100,000
Sutter Health, Series 2016B	PUBLIC	2016-Aug-17	2046-Nov-15	$ 748,610,000	$ 7,275,000	$ 741,335,000
Sutter Health, Series 2016C	PUBLIC	2016-Aug-17	2053-Aug-15	$ 100,000,000	$ 0	$ 100,000,000
Sutter Health, Series 2017A	PUBLIC	2017-Jul-06	2048-Nov-15	$ 434,460,000	$ 0	$ 434,460,000
Sutter Health, Series 2018A	PUBLIC	2018-Apr-04	2048-Nov-15	$ 619,025,000	$ 93,285,000	$ 525,740,000
Tarzana Treatment Centers, Series 2019A	PRIVATE	2019-Mar-20	2044-Jun-01	$ 8,865,000	$ 0	$ 8,865,000
Tarzana Treatment Centers, Series 2019B (Taxable)	PRIVATE	2019-Mar-20	2044-Jun-01	$ 4,635,000	$ 1,705,000	$ 2,930,000
TLC Child & Family Services, Series 2011	PUBLIC	2011-Oct-07	2025-Sep-01	$ 2,475,000	$ 2,310,000	$ 165,000
				$ 19,986,318,000	$ 2,361,730,201	$ 17,624,587,800

COMPLIANCE REPORT

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

550 Howe Avenue, Suite 210
Sacramento, California 95825

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bond Program of the California Health Facilities Financing Authority (CHFFA) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Bond Program's basic financial statements, and have issued our report thereon dated July 7, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Richardson & Company, LLP

July 7, 2026