CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY BOND PROGRAM

Audited Financial Statements

June 30, 2025

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CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY
BOND PROGRAM

AUDITED FINANCIAL STATEMENTS

June 30, 2025

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board Members
Capital Programs and Climate Financing Authority
Sacramento, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Bond Program of the Capital Programs and Climate Control Financing Authority (the Authority) (Bond Program) as of and for the year ended June 30, 2025, 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 the Authority as of June 30, 2025, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

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 the Authority'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 opinion. 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 the Authority'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 the Authority'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, the 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

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Bonds Issued and Outstanding but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Authority'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 Authority'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 the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

June 26, 2026

This section of the financial statements of the Bond Program accounts and records of the Capital Programs and Climate Financing Authority (CPCFA or Authority), formerly the California Pollution Control Financing Authority, presents the analysis of the financial performance of the Authority's Bond Program monies during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

CPCFA's Consolidated Fund

CPCFA was established by Chapter 1257 (Statutes of 1972), with subsequent changes provided by Chapter 342 (Statutes of 1985), to provide California businesses with alternative methods of financing pollution control facilities.

Over the last 50 years, CPCFA has evolved to meet California's needs with the Tax-Exempt Bond Program evolving to include water furnishing, waste disposal, and waste recovery facilities and equipment and carbon capture projects. In addition to its environmental financing Tax-Exempt Bond Program, CPCFA now includes the California Capital Access Program (CalCAP) and related financing programs, providing small business assistance; the California Recycle Underutilized Sites Program (CALReUSE), though currently unfunded it previously provided for the reuse and redevelopment of brownfields through grants and loans; and the newly created California Investment & Innovation Program (Cal IIP), providing small business support through grants to Community Development Financial Institutions (CDFIs).

The Authority's conduit financing activities include the Small Business Assistance Fund (SBAF) and can be collectively referred to as the Bond Program.

CPCFA has unusual status in State Government in that its statutes directed the creation of one "catch-all Fund" (Fund) that is continuously appropriated to administer all of the above statutorily mandated programs. Consequently, all revenues and expenditures for all of CPCFA's programs are consolidated in that Fund and have been since the inception of the Authority. The Administration and the Legislature authorized CPCFA, and CPCFA's Fund, to have maximum flexibility in administering state authorized programs. This is fairly exclusive given that most state agencies establish a separate fund for each revenue source to enable the tracking of revenues received and expenditures made for each program, as specified.

CPCFA contracts with the State Treasurer's Office (STO) for administrative services which include full accounting services for its consolidated Fund. For the past 44 years, beginning with FY 1980-81, the STO's Accounting Unit was required to utilize the State's California State Accounting & Reporting System (CALSTARS). However, in 2018 -19, CPCFA converted from CALSTARS to the Financial Information System for California (FI$Cal), California's statewide, accounting, budget, cash management and procurement

IT system. FI$Cal was designed to conform to Generally Accepted Accounting Principles (GAAP) as necessary, and to satisfy Government Codes, the State Administrative Manual (SAM), and other legally mandated state accounting requirements. FI$Cal incorporates the state's Uniform Codes Manual (UCM) to provide consistency and uniformity. As evidenced by the STO Accounting Unit's annual "Certificate for Achieving Excellence in Financial Reporting" awarded by the State Controller's Office for the errorless preparation of specified CPCFA year-end financial reports, the accounting services provided to CPCFA are in compliance with all applicable state laws, rules and regulations. For the past 50 years, STO accounting staff provided comprehensive accounting services for CPCFA's Fund in the aggregate—but not its individual programs as anticipated by the independent audit of the Bond Program accounts and records directed by Senate Bill 99 in 2010.

Issues related to Authority accounts, including maintaining books, making adjustments to entries, reporting to other state entities and related activities are the responsibility of the STO. The Authority staff continues to work with the STO to identify areas where the Authority should maintain more direct knowledge and oversight of the accounts and funds traditionally overseen by the STO, including areas that STO should consult with the Authority prior to making certain changes to financial statements and accounting records.

The relationship between CPCFA and STO, including the Accounting Unit, acknowledges that CPCFA retains the policy and program direction and expertise over the Bond Program, and that STO and its Accounting Unit retain the subject matter expertise for accounting principles and practices. This relationship and acknowledgment reduces redundancy, relieving CPCFA of expenses associated with hiring internal accounting specialists. In this discussion and analysis, while it is presumed that the Authority is ultimately responsible for its financial statements, the use of the term "Management" herein this discussion and related audit documents refers to responsibilities or decisions which by nature are shared due to CPCFA's reliance on the STO's expertise in preparing financial records.

Conduit Finance Activity

Since 1972, the Authority has served as a conduit issuer for eligible California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, resource recovery, and water furnishing facilities. The Authority also provides additional financial assistance to California businesses that meet the size standards set forth in Title 13 of the Code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates.

The Authority uses the Small Business Assistance Fees (SBAF) collected from large businesses to help pay for the costs of issuance of tax-exempt bonds issued on behalf of small-business borrowers. The SBAF may be used to pay costs such as letter of credit fees, transaction fees, and other costs associated with the issuance of the bonds. This assistance reduces the net cost of financing to the small business to make it more competitive. On March 3, 2023, CPCFA waived the collection of SBAF fees from large-business borrowers to incentivize the issuance of bonds until December 31, 2026. However, the SBAF is well funded based on previous SBAF usage volume and CPCFA continues to offer the SBAF subsidy to qualifying small-business borrowers.

In March of 2022, staff updated the CPCFA regulations via the emergency regulations process to update the permitted uses of the SBAF to include the payment of CPCFA fees related to post-issuance requests completed by small businesses due to the recent change from the London Interbank Offered Rate (LIBOR) index rate to the Secured Overnight Financing Rate (SOFR) index rate. This change is expected to provide the financial assistance needed to small business borrowers to implement this change to bond documents.

In March of 2025, staff updated the CPCFA regulations via the emergency rulemaking process to amend regulations pertaining to certain administrative fees under the bond program and the Small Business Assistance Fund fees charged to large businesses. The administrative fee on qualified small business bond refundings was lowered by 50% to .001 and removed language stating that the Authority shall have the discretion to charge small businesses a different fee for certain refunding transactions. The SBAF fee for large businesses, which is currently suspended until December 31, 2026, was lowered by 50% to 33 basis points, and the recalculation and/or collection of the SBAF fee for large businesses was eliminated in certain refunding transactions. The changes to the fee structure will extend more assistance in the form of smaller fees. Fees will also be reduced for large businesses, making CPCFA more competitive with other conduit issuers, to increase its volume of large business transactions.

During the fiscal year ended June 30, 2025, the Authority served as the issuer for $50,025,500 in tax exempt bonds. As of June 30, 2025, the Authority's total conduit debt issued was $17,415,107,937and total conduit debt outstanding was $2,813,765,842.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report of the Authority's Bond Program includes the Independent Auditors' Report, Management Discussion and Analysis (MD&A), basic financial statements, accompanying notes and supplemental information.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority’s Bond Program report information using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about its activities.

The ***Statement of Net Position*** includes all of the assets and liabilities of the Authority’s Bond Program for the year ended June 30, 2025, and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for computing rates of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority’s Bond Program.

The ***Statement of Revenues, Expenses and Changes in Net Position*** accounts for all of the revenue and expenses of the Authority’s Bond Program for the year ended June 30, 2025. This statement reflects the results of the Bond Program’s operations over the year and can be used to determine the credit worthiness and its ability to successfully recover all its costs through fees, investment income and other revenues.

The ***Statement of Cash Flows*** provides information about the Authority’s Bond Program’s cash receipts and cash payments during the year ended June 30, 2025. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, noncapital financing and investment activities. The statement provides answers to questions of where cash came from, what cash was used for and what caused changes in cash for the reporting period covered.

The accompanying Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements and accompanying notes, the final section in this report also presents certain supplementary information. The required supplementary information section contains trend information related to the pension and other postemployment benefit plans. The other supplementary information section contains the details of conduit bonds issued and conduit bonds outstanding as of June 30, 2025.

ANALYSIS OF CHANGE IN BOND PROGRAM BALANCE FOR FISCAL YEAR ENDED JUNE 30, 2025

Statement of Net Position

The net position of the Bond Program was $28,179,457 as of June 30, 2025. The net position of the CPCFA Bond Program decreased by $814,401 from one year ago (2024 to 2025) due to expenses exceeding revenues during the fiscal year. Operating revenue decreased primarily due to a decrease in closing revenue from fees recognized from the sale of bonds. However, overall operating expenses increased by $1,240,013 primarily due to a $955,175 increase in pension and OPEB related expenses from an increase in proportionate share of net pension and net OPEB liabilities in the amount of $667,156.The remaining increase in pension and OPEB expenses is due to the current year increase in pension and OPEB expenses being offset by a prior year credit of $256,781 to OPEB expenses as a result of prior year OPEB valuation proportionate factors decreasing. The remaining increase in operating expenses is due to an increase in salary and consulting expenses of $201,940 and an increase in Small Business Financing expense of $59,772

The following table presents a condensed, combined statement of net position as of June 30, 2025, and June 30, 2024, including dollar change from 2024 to 2025.

CONDENSED STATEMENTS OF NET POSITION

	2025	2024	Difference
Total Assets	$30,371,022	$30,172,080	$198,942
Deferred Outflow of Resources	640,358	691,949	(51,591)
Current Liabilities	352,399	72,983	279,416
Long-Term Liabilities	2,094,173	1,427,017	667,1565
Total Liabilities	2,446,572	1,500,000	946,572
Deferred Inflow of Resources	385,351	370,171	15,180
Restricted Net Position	$28,179,457	$28,993,858	($814,401)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2025	2024	Difference
Operating Revenues	$163,117	$617,046	($453,929)
Nonoperating Revenues (Expenses)	786,645	668,669	117,976
Total Revenues	949,762	1,285,715	(335,953)
Operating Expenses	1,758,188	518,175	1,240,013
Total Expenses	1,758,188	518,175	1,240,013
Change in Net Position	(808,426)	767,540	(1,575,966)
Net Position at beginning of year	28,993,858	28,226,318	767,540
Restatement	(5,975)	-	(5,975)
Net Position at beginning of year, as restated	28,987,883	-	28,987,883
Net Position at End of Year	$28,179,457	$28,993,858	($814,401)

Assets
Total assets increased by $198,942 from the prior year. The increase in assets is due to an increase in cash in the amount of $1,093,239, offset by a decrease of $894,540 in amounts owed to the Bond Program by other CPCFA programs.

Liabilities
Total liabilities, both current and long-term, were $2,446,572 as of June 30, 2025 representing an increase of $946,572 from the prior fiscal year. The increase is due primarily due to the Bond Program’s increase in net pension and OPEB liability and a $250,000 increase in deposit liability.

Statement of Revenues, Expenses and Changes in Net Position
CPCFA Bond Program revenues were $163,117, while expenses were $1,758,188. Expenses exceeded revenue by $808,426, primarily due to an increase in pension and OPEB related expenses.

BOND PROGRAM OUTLOOK

Business investment in California using tax-exempt bonds has been on a declining trend since the 2008 economic downturn. Other extenuating factors such as the global pandemic that hit in March of 2020 have not helped matters, either. Over the past four calendar years, CPCFA has closed an average of six issuances a year consisting of a mix of new money financings with refundings of previously issued bonds.

CPCFA has seen an increase in the number of projects having both new money and refunding components during fiscal years 2019–2020 and 2020-2021, which may indicate a positive trend in bond activity and the possibility that more companies will refund previously issued bonds to save money. Additionally, the quarterly survey of our stakeholders indicates a robust pipeline of projects, which exceeds over 400 million for the 2026 calendar year.

As of June 1, 2025, the SBAF fund has a balance of approximately $17.3 million. CPCFA recently implemented a change to the CPCFA regulations via the emergency and regular rulemaking processes to update the permitted uses of the SBAF to include the payment of CPCFA fees related to post-issuance requests done by small businesses as a result of the recent change from the London Interbank Offered Rate (LIBOR) index rate to the Secured Overnight Financing Rate (SOFR) index rate. Staff
anticipates that this update to the allowable SBAF uses will provide much needed financial assistance to small business borrowers that have to make updates to existing bond documents to consider the updated index rate formula.

Additionally, CPCFA recently made a temporary change to its regulations to waive the collection of SBAF fees from large-business borrowers to incentivize the issuance of bonds until December 31, 2026. Based on SBAF previous use volume and the current SBAF account balance, CPCFA continues to offer the SBAF subsidy to qualifying small-business borrowers.

CPCFA management reviewed the Bond Program issuance fees schedule to ensure that we are aligned with comparable issuers and that we remain competitive as a conduit issuer. Staff utilized the emergency regulations and regular rulemaking processes with the Office of Administrative Law to make the relevant CPCFA fees updates to the CPCFA Regulations.

Additionally, as described above in **CPCFA's Consolidated Fund** the Bond Program typically provides financial support to other CPCFA programs and this is reflected in **Statement of Revenues, Expenses and Changes in Net Position**, although no such transfers occurred in FY 2024-2025.

The Bond Program does not receive any on-going State General Fund support and continues to generate revenues sufficient to support operating expenses.

ANALYSIS OF 2025 ACTIVITIES

Applications received in FY 2024/2025:

The following schedule presents a summary of total applications received during the fiscal year ended June 30, 2025:

Application Number	Date Received	Applicant Name	Project Type	Amount
00966	07/12/2024	Tri-City Economic Development	SWD*	$ 8,525,500
00967	08/28/2024	Kochergen Farms Composting, Inc.	SWD	$ 5,200,000
00968	09/12/2024	BLT Enterprises of Fremont LLC	SWD	$ 12,000,000
00969	09/27/2024	Atlas Disposal Industries, LLC	SWD	$ 18,000,000
00970	10/24/2024	Second Street Energy, LLC	SWD	$ 6,000,000
00970	10/24/2024	Meirinho West Dairy Biogas LLC	SWD	$ 6,000,000
00972	02/05/2025	Arakelian Enterprises, Inc.	SWD	$7 5,000,000
00973	03/05/2025	Poso Creek Family Dairy LLC	SWD	$ 3,500,000
00974	04/08/2025	Maple Dairy LP	SWD	$ 7,000,000
00975	06/12/2025	Anchor J Dairy Biogas LLC	SWD	$ 9,000,000
00976	06/12/2025	Silva Dairy Biogas LLC	SWD	$ 10,000,000
		TOTAL:		$160,225,500

* Solid Waste Disposal

Initial Resolutions (IR) adopted in FY 2024/2025:

The following schedule presents a summary of Initial Resolutions adopted during the fiscal year ended June 30, 2025:

IR No.	Date Approved	Applicant Name	Project Type	Amount
24-01	07/11/2024	Brasil Dairy Biogas LLC	SWD*	$ 10,000,000
24-02	07/11/2024	San Joaquin Valley Energy LLC	SWD	$ 14,000,000
24-03	07/11/2024	Double DJ Dairy Biogas Llc	SWD	$ 8,000,000
24-04	07/11/2024	Matos Dairy Biogas LLC	SWD	$ 7,000,000
24-05	07/16/2024	Napa Recycling & Waste Services LLC	SWD	$ 23,500,000
24-06	08/26/2024	Tri-City Economic Development	SWD	$ 8,525,500
24-07	09/30/2024	Kochergen Farms Composting, Inc	SWD	$ 5,200,000
24-08	10/11/2024	BLT Enterprises of Fremont LLC	SWD	$ 12,000,000
24-09	10/25/2024	Atlas Disposal Industries, LLC	SWD	$ 18,000,000
24-10	11/18/2024	Second Street Energy, LLC	SWD	$ 6,000,000
24-11	11/18/2024	Meirinho West Dairy Biogas LLC	SWD	$ 6,000,000
25-01	03/04/2025	Arakelian Enterprises, Inc.	SWD	$ 75,000,000
25-02	04/09/2025	Poso Creek Family Dairy LLC	SWD	$ 3,500,000
25-03	05/02/2025	Maple Dairy LP	SWD	$ 7,000,000
25-04	06/27/2025	Anchor J Dairy Biogas LLC	SWD	$ 9,000,000
25-05	06/27/2025	Silva Dairy Biogas LLC	SWD	$ 10,000,000
		TOTAL:		**$222,725,500**

* Solid Waste Disposal

Final Resolutions (FR) adopted in FY 2024/2025:

The following schedule presents a summary of Final Resolutions adopted during the fiscal year ended June 30, 2025:

FR No.	Date Approved	Applicant Name	Project Type	Amount
00622	09/17/2024	Napa Recycling & Waste Services LLC	SWD*	$ 23,500,000
00623	12/10/2024	Tri-City Economic Development	SWD	$ 8,525,500
00625	02/18/2025	Atlas Disposal Industries, LLC	SWD	$ 18,000,000
00926	06/15/2025	Arakelian Enterprises, Inc.	SWD	$ 75,000,000
		TOTAL:		**$125,025,500**

* Solid Waste Disposal

Bonds sold in FY 2024/2025:

The following schedule presents a summary of bonds sold during the fiscal year ended June 30, 2025:

Closing Date	Applicant Name	Project Type	Amount of Issue	Beginning Interest Rate	Mode
10/10/2024	Napa Recycling & Waste Services LLC 2024	SWD*	$23,500,000	6.60	Weekly
01/10/2025	Tri-City Development Corporation 2025	SWD	$ 8,525,500	4.50	Fixed
04/23/2025	Atlas Disposal Industries, LLC 2025	SWD	$18,000,000	4.84	Weekly
	TOTAL:		**$50,025,500**		

*Solid Waste Disposal

Note: All bond sales negotiated.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority’s Bond Program’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, Capital Programs and Climate Financing Authority, P.O. Box 942809, Sacramento, CA 94209.

CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF NET POSITION

June 30, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 18,276,851
Accounts receivable	13,372
Interest receivable	194,005
Due from other programs	11,886,794
TOTAL ASSETS	30,371,022
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow of resources - pension activities	437,272
Deferred outflow of resources - other postemployment benefits (OPEB)	203,086
TOTAL DEFERRED OUTFLOW OF RESOURCES	640,358
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	18,085
Due to other governments	4,101
Compensated absences	80,213
Performance deposits	250,000
TOTAL CURRENT LIABILITIES	352,399
NONCURRENT LIABILTIES	
Net pension liability	795,928
Net other postemployment benefits (OPEB) liability	1,298,245
TOTAL LIABILITIES	2,446,572
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of resources - pension activities	159,918
Deferred inflow of resources - other postemployment benefits (OPEB)	225,433
TOTAL DEFERRED INFLOW OF RESOURCES	385,351
NET POSITION	
Restricted for pollution control financing	28,179,457
TOTAL NET POSITION	$ 28,179,457

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

CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2025

OPERATING REVENUES	
Application fees	$ 42,613
Closing fees	85,788
Agent for sale fees	10,500
Post issuance fees	22,310
Miscellaneous revenue	1,906
TOTAL OPERATING REVENUES	163,117
OPERATING EXPENSES	
Salaries, wages and benefits (net of OPEB and pension plan benefit)	1,426,688
Services and supplies	12,220
Consultant services	160,035
Small business financing assistance	125,388
Other operating expenses	18,688
Bad debt expense	15,169
TOTAL OPERATING EXPENSES	1,758,188
OPERATING INCOME	(1,595,071)
NONOPERATING REVENUES	
Interest and investment income	786,645
TOTAL NONOPERATING REVENUES	786,645
CHANGE IN NET POSITION	(808,426)
Net position, beginning of year, as previously reported	28,993,858
Change in accounting principle (GASB 101)	(5,975)
Net position, beginning of year, as restated	28,987,883
NET POSITION, END OF YEAR	$ 28,179,457

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

CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY
BOND PROGRAM

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from fees	$ 154,745
Payments to vendors	(195,436)
Payments for salaries and benefits	(664,827)
Payments to Small Business Assistance	(125,388)
NET CASH USED BY OPERATING ACTIVITIES	(830,906)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Payments to other programs	894,540
Performance deposits received	350,000
Performance deposits refunded	(100,000)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,144,540
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment income received	779,605
NET CASH PROVIDED BY INVESTING ACTIVITIES	779,605
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,093,239
Cash and cash equivalents at the beginning of the year	17,183,612
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 18,276,851
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	$ (1,595,071)
Changes in assets and liabilities:	
Accounts receivable	6,797
Accounts payable	2,735
Due to other governments	(7,228)
Compensated absences	27,934
Net pension liability	85,120
Deferred inflows/outflows of resources	66,771
Net OPEB liability	582,036
NET CASH USED BY OPERATING ACTIVITIES	$ (830,906)

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Capital Programs and Climate Financing Authority formerly known as California Pollution Control Financing Authority's (the Authority) 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 Authority, a state agency within the California State Treasurer's Office, was created in 1972 to assist California businesses to meet their growth and capital needs by providing access to low-cost financing through private activity tax-exempt bonds and loans and fosters compliance with government imposed environmental standards and requirements.

Irrespective of company size, financing is available for eligible California businesses for the acquisition, construction, or installation of qualified pollution control, waste disposal, resource recovery and water furnishing facilities. The Authority also provides additional financial assistance to California businesses that meet the size standards set forth in Title 13 of the Code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates.

The Authority uses the Small Business Assistance Fees (SBAF) collected from larger bond transactions to help pay for the costs of issuance of tax-exempt bonds issued on behalf of small businesses. The SBAF may be used to pay for costs such as letter of credit fees, transaction fees and other costs associated with the issuance of bonds. This assistance reduces the net cost of financing to the small business to make it more competitive.

Effective January 1, 2010, legislation (Senate Bill 99, which added Chapter 10.7 of Division 6 of Title 1, commencing with section 5870, to the Government Code) increased the reporting and auditing requirements for conduit issuers. The focus of the legislation was on the joint powers authorities that frequently issue bonds and also require the inclusion of state finance authorities. The legislation was written to include the finance authorities chaired by the Treasurer. As a result, the Authority must comply with the same reporting/auditing requirements imposed on the joint powers authorities.

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

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 using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. 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 assets.

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 the Authority are made through a cash pool maintained by the State Controller.

Accounts Receivable: Accounts receivable, if any, consist of application, initial, and closing fees receivable on conduit bond financing programs and reimbursement of expenses from other State Agencies. Accounts receivable is reported net of allowance for uncollectible accounts of $15,169.

Due from Other Programs: Due from other programs represents short-term funding by the Authority's Bond Program to other Authority programs until funding is established to reimburse the Bond Program. The Authority has not anticipated when the Board Program will be reimbursed, if at all.

Due from Other State Agencies: The Bond Program has loans receivable from the California Alternative Energy and Advanced Transportation Financing Authority and California Urban Waterfront Area Restoration Financing Authority totaling $1,572,485 at June 30, 2025 that are deemed uncollectible and are fully offset with a valuation allowance, resulting in no reported loans receivable balance.

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 the investment in capital assets, restricted and unrestricted. As of June 30, 2025, all of the net position of the Bond Program are classified as restricted by enabling legislation for purposes specified in the Act and as described in Note A.

General and Administrative Expenses: The Authority is subject to an allocation of intradepartmental support costs in accordance with an agreement between the Authority and the State Treasurer's Office (STO). Such costs could affect the Authority's financial position or operating results in a manner that differs from those that might have been obtained if the Authority was autonomous. The Authority records

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

these costs as invoiced by the 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.

Cost Allocation Within the Authority: The Authority allocates certain general and administrative expenses to its different programs based upon the employee hours worked on each program. The payroll and related costs for all employees working on the bond program are allocated based on actual hours worked as recorded on the monthly employee Personnel Activity Reports (PARs). Staff that recorded hours worked on the Bond Program included three Office Technicians, two Staff Services Analysts, an Associate Governmental Program Analyst, two Staff Services Manager I's, a Staff Services Manager II, a Deputy Executive Director, and the Executive Director.

Compensated Absences: The Authority 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 accrued based on estimated usage. Additional information on compensated absences is contained in the financial statements of the State of California for the year ended June 30, 2025.

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 the Authority's pension plan under GASB Statement No. 68 as described in Note E and OPEB plan under GASB Statement No. 75 as described in Note F.

Pension Plan: 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 the Authority's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms). Investments are reported at fair value.

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 the Authority'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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement were implemented during the year ended June 30, 2025. The effect of this change is disclosed in Note G.

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 for years beginning after June 15, 2024.

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 for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires lease assets recognized in accordance with GASB Statement No. 87, *Leases*, right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, subscription assets recognized in accordance with GASB Statement. No 96, *Subscription-Based Information Technology Arrangements*, and other intangible assets to be disclosed separately in capital assets footnote disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should disclose the ending historical cost and accumulated depreciation by major class of asset and the carrying amount of debt for which the assets are pledged as collateral by major class of asset held for sale under this Statement. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The Authority continues to analyze the impact of the required implementation of these new statements; however, the Authority 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 had a balance of $180.4 billion. The weighted average maturity of PMIA investments was 248 days as of June 30, 2025. The total amount of deposits in SMIF was $72.5 billion as of June 30, 2025. All of the resources of SMIF are invested through the Pooled Money Investment Board and are 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, the Authority's Bond Program invested funds in SMIF in the amount of $18,276,851. During the year ended June 30, 2025, the Authority's Bond Program earned interest and investment income in the amount of $786,645 of which $194,005 is receivable as of June 30, 2025.

Disclosures regarding interest rate risk, credit risk, concentration of credit risk, custodial risk and other additional detailed disclosures required by GASB regarding cash deposits and investments, are presented in the financial statements of the State of California for the year ended June 30, 2025.

NOTE C – LONG-TERM LIABILITIES

The long-term liabilities activity of the Bond Program was as follows for the year ended June 30, 2025:

	Restated Balance June 30, 2024	Additions	Repayments	Balance June 30, 2025	Due Within One Year
Compensated absences	$ 52,279	$ 54,099	$ (26,165)	$ 80,213	$ 80,213
Net pension liability	710,808	85,120		795,928	
OPEB liability	716,209	582,036		1,298,245	
	$ 1,479,296	$ 721,255	$ (26,165)	$ 2,174,386	$ 80,213

NOTE D – CONDUIT FINANCING ACTIVITY

The Authority 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 the Authority 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 the Authority's financial statements. The borrowers' obligations generally are, but need not be, secured by insurance, a letter of credit or guaranty. At June 30, 2025, the aggregate amount of the Authority's conduit debt obligations outstanding issued on behalf of program participants totaled $2,831,618,265.

The Authority's conduit financing activity for the year ended June 30, 2025 was as follows:

Qualified Private Activity Debt	Debt issued during fiscal year 2025 (third party debt)	Debt outstanding at June 30, 2025 (third party debt)
Solid waste disposal facilities bonds	$ 50,025,500	$ 1,844,243,265
Other exempt facilities bonds		987,375,000
	$ 50,025,500	$ 2,831,618,265

NOTE E – EMPLOYEE RETIREMENT PLAN

Plan Description: All qualified employees are eligible to participate in the Authority's agent multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The Authority participates in the CalPERS PERF C Plan and the following rate plans:

- Miscellaneous Plan Tier 1
- Miscellaneous Plan Tier 2

Benefit provisions under the Plan are established by State statute. CalPERS issues publicly available report that includes a full description of the pension plan 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 with five years of total service are eligible to retire at age 50 (52 for Tier 2) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan is applied as specified by the Public Employees' Retirement Law.

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

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

	Miscellaneous Rate Plan Tier 1		
Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.000%	8.000%	8.000%
Required employer contribution rates	31.39%	31.39%	31.39%

	Miscellaneous Rate Plan Tier 2	
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	0.5% to 1.25%	0.65% to 1.25%
Required employee contribution rates	0.000%	0.000%
Required employer contribution rates	31.39%	31.39%

State bargaining unit agreements determine whether a state member is placed in a 2% at 55 or 2% at 60 formula. Legislation known as PEPRA established a new first tier formula, 2% at 62, for all "new state members" on or after January 1, 2013. State members have two options available within the first 180 days of employment from the date they begin contributing to CalPERS: Take no action and remain in first tier miscellaneous retirement formula or elect the second-tier retirement formula. Currently no Authority employees are in the second-tier miscellaneous retirement formula.

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. The Capital Programs and Climate Financing Authority Bond Program is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, contributions to the Plan were $105,792.

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2025, the Bond Program reported a net pension liability of $795,928 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 Plan's 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, 2025 and 2024 was as follows:

Proportionate share - June 30, 2025	0.000229%
Proportionate share - June 30, 2024	0.000185%
Change - Increase (Decrease)	0.000045%

For the year ended June 30, 2025, the Bond Program recognized a pension benefit of $92,191. At June 30, 2025, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 105,792	
Change in assumptions	25,871	
Differences between actual and expected experience	42,851	$ (1,888)
Change in employer's proportion	224,521	(113,448)
Net differences between projected and actual earnings on plan investments	38,237	
Differences between actual and allocated contributions		(44,582)
Total	$ 437,272	$ (159,918)

The amount reported above 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 will be recognized as pension expense as follows:

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

Fiscal Year Ended June 30		
2025	$	65,564
2026		88,956
2027		20,618
2028		(3,576)
	$	171,562

Actuarial Assumptions: The net pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30
Projected Salary Increase	Varies by entry age and service
Mortality	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 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvement using 80% of Sale 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

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 net pension liability was 6.90% at the June 30, 2024 measurement date, which was discount rate used at the June 30, 2023 measurement date. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the 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 will run out of assets. Therefore, the current discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate will be applied to all rate plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website.

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

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

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

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

Asset Class[1]	New Strategic 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%
Investment 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%
Total	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:

NOTE E – EMPLOYEE RETIREMENT PLAN (Continued)

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
Net Pension Liability	$ 1,207,982	$ 795,928	$ 451,993

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. Plan assets are held in the California Employers' Retiree Benefit Trust (CERBT) and the State has adopted investment Strategy 1.

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 State of California Retiree Health Benefits Program Actuarial Valuation Report to State agencies and their funds.

Benefits Provided: In accordance with the California Government Code, the State generally pays 100% of the health insurance premium cost for annuitants, plus 90% of the additional premium required for the enrollment of family members of annuitants (80% if hired after certain dates). 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. 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.

The Authority 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. The Authority's contributions to the State's Plan from the Bond Program were $53,728 for the fiscal year ended June 30, 2025.

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

Total OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources: At June 30, 2025, the Bond Program reported a liability of $1,298,245 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, 2024. The Bond Program's proportionate share, based on its attributable employee valuation groups pensionable compensation, as of June 30, 2024 was 0.00141920739%.

For the fiscal year ended June 30, 2025, the Bond Program recognized OPEB expense of $589,671. The SCO's policy is to fully expense each year's proportionate share change adjustment. The Authority followed this policy and fully expensed its proportionate share change adjustment. At June 30, 2025, the Bond Program reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 53,728	
Changes in assumptions	56,962	$ (161,266)
Changes in non-investment experience	92,396	(63,465)
Changes in investment experience		(702)
Total	$ 203,086	$ (225,433)

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date above 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	
2026	$ (22,734)
2027	(22,982)
2028	(25,251)
2029	(20,776)
2030	(2,890)
Thereafter	18,558
	$ (76,075)

Actuarial Assumptions: For the measurement period ended June 30, 2024 (the measurement date), the total OPEB liability was determined using a June 30, 2024 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, 2025 total OPEB liability was based on the following actuarial methods and assumptions:

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

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, increasing to 6.01% in 2026, graded down to a trend rate of 4.50% in 2035 to 2039 until the ultimate rate of 4.25% is reached in 2040. *Dental coverage*: 0% for 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 mortality improvements using 80% of the Society of Actuaries Scale MP-2020. For more details on this table, refer to the 2021 CalPERS Experience Study. Other demographic assumptions used in the June 30, 2024 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 2022 experience review performed by Gabriel, Roeder, Smith and Company (GRS) for the period from July 1, 2018 to June 30, 2022. 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, the State contribution formula was reduced from 100% for participants and 90% for dependents (100%/90%) to 80%/80%; grading the State contribution if the member has less than 25 years of credited service at retirement; eliminated the Medicare Part B subsidy; for Medicare eligible members, developing the 80%/80% State contribution base on the premium rates only for Medicare members and replacing the PERS Select, PERS Choice and PERSCare healthcare plans with PERS Platinum and PERS Gold healthcare plans. Also, the 20-year Municipal G.O. AA Bond Index rate increased to 3.97% at the June 30, 2024 measurement date from 3.86% at the June 30, 2023 measurement date.

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 reported by Fidelity, when prefunding assets are not available to pay benefits, and 6.00% when prefunding assets are available to pay benefits as of June 30, 2024. 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, 2024*, on the State Controller's Office website, at www.sco.ca.gov.

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

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 for CERBT Strategy 1 by asset class.

Asset Class	Target Asset Allocation	Real Return Years 1 - 10	Real Return Years 11 - 40
Global Equity	49.0%	4.80%	5.98%
Fixed Income	23.0%	1.10%	2.62%
Treasury Inflation-Protected Securities	5.0%	0.25%	1.46%
Real Estate Investment Trusts	20.0%	3.50%	5.00%
Commodities	3.0%	1.50%	2.87%

Changes in the Total 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	$ 772,916	$ 56,707	$ 716,209
Changes for the year:			
Service cost	42,104		42,104
Interest on the total OPEB liability	56,243		56,243
Contribution - employer		49,854	(49,854)
Net investment income		12,246	(12,246)
Difference between expected actual experience	68,982		68,982
Change in assumption	9,787		9,787
Employer prefunding contribution		12,321	(12,321)
Active member contribution		12,321	(12,321)
Proportionate share allocation	530,945	39,318	491,627
Administrative expense		(35)	35
Benefit payments	(49,854)	(49,854)	
Net changes	658,207	76,171	582,036
Balance at June 30, 2025	$ 1,431,123	$ 132,878	$ 1,298,245

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:

	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Total OPEB liability	$ 1,525,630	$ 1,298,245	$ 1,113,273

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

	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Total OPEB liability	$ 1,096,413	$ 1,298,245	$ 1,554,762

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

NOTE G – RESTATEMENT

The Authority implemented GASB Statement No.101, *Compensated Absences*, during the year ended June 30, 2025. Under GASB Statement No. 101, the Authority accrued sick leave as part of the compensated absences liability that is more likely than not to be used by employees for time-off. Total net position as of July 1, 2024 was restated as follows:

	June 30, 2024 As Previoulsy Reported	Change in Accounting Principle for GASB 101	July 1, 2024 As Restated
Net Position	$ 28,993,858	$ 5,975	$ 28,987,883

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REQUIRED SUPPLEMENTARY INFORMATION

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CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.000229%	0.000185%	0.000199%	0.000275%	0.000236%	0.000242%	0.000274%	0.000244%	0.000223%	0.000187%
Proportionate share of the net pension liability	$ 795,928	$ 710,808	$ 752,975	$ 615,071	$ 820,418	$ 816,467	$ 862,067	$ 894,837	$ 739,505	$ 529,717
Covered payroll - measurement period	$ 335,915	$ 281,734	$ 278,924	$ 398,643	$ 327,155	$ 284,896	$ 323,735	$ 278,600	$ 242,924	$ 218,888
Proportionate share of the net pension liability as a percentage of covered payroll	236.94%	252.30%	269.96%	154.29%	250.77%	286.58%	266.29%	321.19%	304.42%	242.00%
Plan fiduciary net position as a percentage of the total pension liability	76.04%	72.46%	71.63%	82.39%	71.51%	71.30%	71.80%	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:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes in the Discount Rate	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	$ 105,792	$ 105,001	$ 89,661	$ 85,051	$ 104,543	$ 99,003	$ 91,764	$ 95,593	$ 83,306	$ 62,851
Contributions in relation to the actuarially determined contributions	(105,792)	(105,001)	(89,661)	(85,051)	(104,543)	(99,003)	(91,764)	(95,593)	(83,306)	(62,851)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	424,021	335,915	281,734	$ 278,924	$ 398,643	$ 327,155	$ 284,896	$ 323,735	$ 278,600	$ 242,924
Contributions as a percentage of covered - employee payroll	24.95%	31.26%	31.82%	30.49%	26.22%	30.26%	32.21%	29.53%	29.90%	25.87%

Notes to Schedule:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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
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, 2016	June 30, 2015	June 30, 2014

Methods and assumptions used to determine contribution rates:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	Market Value
Inflation	2.30%	2.30%	2.30%	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%	2.800%	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	6.80% (1)	6.90% (1)	6.90% (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.

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

Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	$ 42,104	$ 24,331	$ 41,834	$ 63,446	$ 50,407	$ 42,190	$ 54,314	$ 56,762
Interest	56,243	30,548	29,316	55,023	52,890	47,523	60,606	48,443
Difference in PayGo contributions							2,272	
Differences between expected and actual experience	68,982	7,116	29,707	(133,043)	(35,809)	(14,377)	(125,778)	
Changes of assumptions	9,787	6,773	(201,549)	68,210	21,269	37,960	(54,407)	(149,244)
Proportionate share allocation	530,945	(194,821)	(695,881)	266,676	175,196	(247,932)	165,749	
Benefit payments	(49,854)	(27,130)	(33,588)	(51,691)	(41,586)	(35,182)	(39,244)	(29,523)
Net change in total OPEB liability	658,207	(153,183)	(830,161)	268,621	222,367	(169,818)	63,512	(73,562)
Total OPEB liability - beginning	772,916	926,099	1,756,260	1,487,639	1,265,272	1,435,090	1,371,578	1,445,140
Total OPEB liability - ending (a)	$ 1,431,123	$ 772,916	$ 926,099	$ 1,756,260	$ 1,487,639	$ 1,265,272	$ 1,435,090	$ 1,371,578
Plan fiduciary net position:								
Contributions - employer	$ 49,854	$ 27,130	$ 33,588	$ 51,691	$ 41,586	$ 35,182	$ 39,244	$ 29,523
Net investment income	12,246	3,110	(7,375)	8,916	466	305		
Employer prefunding contribution	12,321	7,566	17,095	12,793	7,887	2,667		
Active member contribution	12,321	7,566	9,109		7,887	2,667		
Proportionate share allocation	39,318	(10,236)	(19,873)	4,351	1,850			
Administrative expenses	(35)	(13)	(11)	(13)	(6)	(1)		
Benefit payments	(49,854)	(27,130)	(33,588)	(51,691)	(41,586)	(35,182)	(39,244)	(29,523)
Net change in plan fiduciary net position	76,171	7,993	(1,055)	26,047	18,084	5,638	-	-
Plan fiduciary net position - beginning	56,707	48,714	49,769	23,722	5,638			
Plan fiduciary net position - ending (b)	$ 132,878	$ 56,707	$ 48,714	$ 49,769	$ 23,722	$ 5,638	$ -	$ -
Net OPEB liability - ending (a)-(b)	$ 1,298,245	$ 716,209	$ 877,385	$ 1,706,491	$ 1,463,917	$ 1,259,634	$ 1,435,090	$ 1,371,578
Plan fiduciary net position as a percentage of the total OPEB liability	9.28%	7.34%	5.26%	2.83%	1.59%	0.45%	0.00%	0.00%
Covered-employee payroll - measurement period	$ 335,915	$ 281,734	$ 278,924	$ 398,643	$ 327,155	$ 284,896	$ 323,735	$ 278,600
Net OPEB liability as percentage of covered-employee payroll	386.48%	254.21%	314.56%	428.07%	447.47%	442.14%	443.29%	492.31%
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 - There were no changes to the benefit terms.

Changes in assumptions - For the measurement period ended June 30, 2024, healthcare-related assumptions were updated based on experience through June 30, 2023. For the measurement period ending June 30, 2024, changes in assumptions include the State contribution formula being reduced from 100% for participants and 90% for dependents (100%/90%) to 80%/80%; grading the State contribution if the member has less than 25 years of credited service at retirement; eliminating the Medicare Part B subsidy; for Medicare eligible members, developing the 80%/80% State contribution base on the premium rates only for Medicare members; and replacing the PERS Select, PERS Choice and PERSCare healthcare plans with PERS Platinum and PERS Gold healthcare plans. Also, the 20-year Municipal G.O. AA Bond Index rate increased to 3.97% at the June 30, 2024 measurement date from 3.86% at the June 30, 2023 measurement date.

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.

CAPITAL PROGRAMS AND CLIMATE FINANCING AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025

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

Measurement Period	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 49,854	$ 27,130	$ 33,588	$ 51,691	$ 41,586	$ 35,182	$ 39,244	$ 29,523
Contributions in relation to the contractually required contributions	(49,854)	(27,130)	(33,588)	(51,691)	(41,586)	(35,182)	(39,244)	(29,523)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 437,230	$ 335,915	$ 281,734	$ 278,924	$ 398,643	$ 327,155	$ 284,896	$ 323,735
Contributions as a percentage of covered payroll	11.40%	8.08%	11.92%	18.53%	10.43%	10.75%	13.77%	9.12%
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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Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
19962	CPCFA	12/13/1996	LB	SO CAL WATER 1996A	12/01/2026	BULLET MATURITY 12/01/26	$ 8,000,000	$ 270,000	$ 7,730,000	$ 7,730,000
19972	CPCFA	09/30/1997	LB	AIR P/CHEM 1997B (TX)	03/01/2042	TE CONVERSION FROM 04/03/08	$ 25,000,000	$ 0	$ 25,000,000	$ 25,000,000
20011	CPCFA	03/16/2001	LB	EXXONMOBIL SERIES 2001 (R)	12/01/2029	OPT RED BEGINS	$ 13,995,000	$ 0	$ 13,995,000	$ 13,995,000
20012	CPCFA	07/17/2001	LB	WASTE MANAGEMENT, INC. SERIES 2001A	07/01/2031	OPT RED BEGINS 07/01/02	$ 19,000,000	$ 0	$ 19,000,000	$ 19,000,000
20022	CPCFA	11/06/2002	SBAF	T & W FARMS SERIES 2002	11/01/2027	OPT RED BEGINS 11/01/03	$ 3,200,000	$ 260,000	$ 2,940,000	$ 2,940,000
20022	CPCFA	11/07/2002	SBAF	BIDART DAIRY SERIES 2002	11/01/2027	BULLET MATURITY 11/01/27	$ 6,000,000	$ 0	$ 6,000,000	$ 6,000,000
20022	CPCFA	12/18/2002	LB	WASTE MANAGEMENT, INC. SERIES 2002C	12/01/2027	OPT RED BEGINS 11/30/07	$ 15,000,000	$ 0	$ 15,000,000	$ 15,000,000
20031	CPCFA	05/09/2003	SBAF	VANDERHAM TRUST- L&J DAIRY FKA K&S DAIRY 2003	05/01/2028	BULLET MATURITY 05/01/28	$ 2,000,000	$ 0	$ 2,000,000	$ 2,000,000
20031	CPCFA	05/23/2003	SBAF	JOHN B. AND ANN M. VERWEY SERIES 2003	05/01/2028	OPT RED BEGINS	$ 3,400,000	$ 0	$ 3,400,000	$ 3,400,000
20031	CPCFA	05/30/2003	SBAF	P&D DAIRY SERIES 2003A	05/01/2028	OPT RED BEGINS 05/01/18	$ 3,000,000	$ 0	$ 3,000,000	$ 3,000,000
20032	CPCFA	11/06/2003	SBAF	JDS RANCH SERIES 2003	11/01/2028	REDEEMED 11/03/25	$ 2,350,000	$ 0	$ 2,350,000	$ 2,350,000
20032	CPCFA	11/20/2003	LB	WASTE MANAGEMENT, INC. SERIES 2003	11/01/2038	BULLET MATURITY 11/01/38	$ 35,700,000	$ 0	$ 35,700,000	$ 35,700,000

Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20032	CPCFA	12/18/2003	SBAF	GEORGE BORBA & SON DAIRY SERIES 2003A	12/02/2028	BULLET MATURITY 12/01/28	$ 3,800,000	$ 0	$ 3,800,000	$ 3,800,000
20041	CPCFA	05/19/2004	SBAF	AG RESOURCES III, LLC SERIES 2004	05/01/2034	OPT RED BEGINS 05/01/10	$ 8,350,000	$ 3,290,000	$ 5,060,000	$ 5,060,000
20041	CPCFA	06/15/2004	SBAF	VANDERHAM TRUST-J&D WILSON & SONS 2004	06/01/2029	BULLET MATURITY 06/01/29	$ 2,500,000	$ 0	$ 2,500,000	$ 2,500,000
20061	CPCFA	06/02/2006	LB	DESERT PROPERTIES SERIES 2006B	06/01/2036	OPT RED BEGINS 06/01/12	$ 6,730,000	$ 3,870,000	$ 2,860,000	$ 2,860,000
20072	CPCFA	12/12/2007	LB	EDCO DISPOSAL CORP. SERIES 2007A	10/01/2037	OPT RED BEGINS 10/01/08	$ 31,960,000	$ 26,460,000	$ 5,500,000	$ 5,500,000
20102	CPCFA	11/23/2010	LB	HILMAR CHEESE COMPANY INC. SERIES 2010A	11/01/2034	MAN RED BEGINS 08/05/13	$ 9,695,000	$ 0	$ 9,695,000	$ 9,695,000
20102	CPCFA	12/22/2010	SBAF	BIG BEAR DISPOSAL INC. PROJECT SERIES 2010	12/01/2040	REDEEMED 12/10/25	$ 4,850,000	$ 4,400,000	$ 450,000	$ 450,000
20122	CPCFA	12/24/2012	SBAF	POSEIDON RESOURCES LP SERIES 2012	11/21/2045	MAN RED BEGINS 07/01/20	$ 530,345,000	$ 16,725,000	$ 513,620,000	$ 513,620,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 54,190,000	$ 17,035,000	$ 37,155,000	$ 37,155,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 22,000,000	$ 0	$ 22,000,000	$ 22,000,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 19,705,000	$ 6,195,000	$ 13,510,000	$ 13,510,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 8,000,000	$ 0	$ 8,000,000	$ 8,000,000

Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 24,630,000	$ 7,740,000	$ 16,890,000	$ 16,890,000
20141	CPCFA	04/02/2014	LB	ATHENS SERVICE PROJECT 2014 SERIES	04/01/2044	OPT RED BEGINS 11/01/14	$ 10,000,000	$ 0	$ 10,000,000	$ 10,000,000
20142	CPCFA	09/25/2014	LB	SIERRA PACIFIC INDUSTRIES SERIES 2014	09/01/2044	OPT RED BEGINS 06/01/14	$ 30,000,000	$ 0	$ 30,000,000	$ 30,000,000
20152	CPCFA	07/01/2015	LB	WASTE MANAGEMENT, INC SERIES 2015A-1(R)(N)	07/01/2025	MATURED 07/01/25	$ 84,430,000	$ 0	$ 84,430,000	$ 84,430,000
20152	CPCFA	07/01/2015	LB	WASTE MANAGEMENT, INC SERIES 2015A-2(R)(N)	07/01/2027	OPT RED BEGINS 01/01/16	$ 28,000,000	$ 0	$ 28,000,000	$ 28,000,000
20152	CPCFA	07/01/2015	LB	WASTE MANAGEMENT, INC SERIES 2015A-3(R)(N)	07/01/2040	OPT RED BEGINS 01/01/16	$ 28,000,000	$ 0	$ 28,000,000	$ 28,000,000
20152	CPCFA	11/10/2015	LB	WASTE MANAGEMENT, INC SERIES 2015B-1(R)(N)	11/01/2025	MATURED 11/01/25	$ 76,225,000	$ 0	$ 76,225,000	$ 76,225,000
20152	CPCFA	11/10/2015	LB	WASTE MANAGEMENT, INC. SERIES 2015B-2(R)(N)	11/02/2040	OPT RED BEGINS 05/01/16	$ 49,775,000	$ 0	$ 49,775,000	$ 49,775,000
20161	CPCFA	04/29/2016	SBAF	TRI-CITY ECONOMIC DEVELOP CORP 2016 (R)(N)	05/01/2026		$ 5,250,000	$ 4,799,498	$ 450,502	$ 450,502
20161	CPCFA	05/04/2016	SBAF	MOTTRA CORP SERIES 2016	05/01/2036	MAN RED BEGINS 05/01/36	$ 8,250,000	$ 0	$ 8,250,000	$ 8,250,000
20161	CPCFA	06/01/2016	LB	CR&R INC. SERIES 2016 (R) (N)	06/01/2046	MAN RED BEGINS 06/01/46	$ 61,360,000	$ 19,600,000	$ 41,760,000	$ 41,760,000
20162	CPCFA	08/03/2016	SBAF	MID VALLEY DISPOSAL SERIES 2016 (R) (N)	12/01/2046	OPT RED BEGINS 07/01/20	$ 15,690,000	$ 0	$ 15,690,000	$ 15,690,000

Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20162	CPCFA	09/07/2016	SBAF	PENA'S DISPOSAL, INC. SERIES 2016 (R) (N)	02/01/2046	REDEEMED 12/19/25	$ 4,800,000	$ 2,740,000	$ 2,060,000	$ 2,060,000
20162	CPCFA	10/05/2016	SBAF	BLT ENTERPRISES OF FREMONT LLC 2016(R)	10/01/2046	REFUNDED 08/15/25	$ 23,765,000	$ 6,715,884	$ 17,049,116	$ 17,049,116
20162	CPCFA	12/20/2016	SBAF	SAN JOSE WATER COMPANY SERIES 2016	11/01/2046	OPT RED BEGINS 11/01/26	$ 70,000,000	$ 0	$ 70,000,000	$ 70,000,000
20171	CPCFA	06/14/2017	SBAF	CALPLANT I PROJECT SERIES 2017 (AMT)	07/01/2039	MAN RED BEGINS 01/01/21	$ 228,165,000	$ 0	$ 228,165,000	$ 228,165,000
20172	CPCFA	08/02/2017	SBAF	BEST WAY DISPOSAL CO., INC. SERIES 2017 (R)(N)	08/01/2037	OPT RED BEGINS 03/01/18	$ 21,430,000	$ 4,620,000	$ 16,810,000	$ 16,810,000
20172	CPCFA	11/01/2017	SBAF	CAGLIA ENVIRONMENTAL LLC SERIES 2017 (R)(N)	11/01/2047	OPT RED BEGINS 06/01/18	$ 9,655,000	$ 3,185,000	$ 6,470,000	$ 6,470,000
20172	CPCFA	11/21/2017	LB	REPUBLIC SERIVICES, INC. SERIES 2017	11/01/2042	OPT RED BEGINS 01/15/28	$ 100,000,000	$ 0	$ 100,000,000	$ 100,000,000
20172	CPCFA	12/14/2017	SBAF	ABEC #2 LLC SERIES 2017B	12/01/2037	OPT RED BEGINS 07/02/18	$ 1,929,000	$ 1,289,000	$ 640,000	$ 640,000
20172	CPCFA	12/14/2017	SBAF	ABEC #3 LLC SERIES 2017A	12/01/2028	OPT RED BEGINS 07/02/18	$ 1,373,000	$ 938,000	$ 435,000	$ 435,000
20172	CPCFA	12/14/2017	SBAF	ABEC #4 LLC SERIES 2017C	04/01/2028	OPT RED BEGINS 07/02/18	$ 2,843,000	$ 1,868,000	$ 975,000	$ 975,000
20172	CPCFA	12/20/2017	SBAF	MOTTRA CORPORATION SERIES 2017	12/10/2037	OPT RED BEGINS 08/01/18	$ 6,125,000	$ 0	$ 6,125,000	$ 6,125,000
20172	CPCFA	12/22/2017	SBAF	SONOMA CO RESOURCE RECOVERY, LLC 2017	12/01/2037	OPT RED BEGINS 07/02/18	$ 7,000,000	$ 5,133,400	$ 1,866,600	$ 1,866,600
20182	CPCFA	09/06/2018	LB	RECOLOGY, INC. SERIES 2018	09/01/2038	OPT RED BEGINS 09/01/23	$ 100,000,000	$ 0	$ 100,000,000	$ 100,000,000

Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20191	CPCFA	02/20/2019	SBAF	SDCWA DESALINATION PIPELINE SERIES 2019 (R)	07/01/2039	OPT RED BEGINS 01/01/29	$ 183,155,000	$ 5,780,000	$ 177,375,000	$ 177,375,000
20191	CPCFA	06/03/2019	SBAF	ALAMEDA COUNTY INDUSTRIES, INC. 2019 (R)	06/01/2039	OPT RED BEGINS 01/01/20	$ 54,075,000	$ 22,216,482	$ 31,858,518	$ 31,858,518
20192	CPCFA	08/07/2019	SBAF	CALPLANT I, LLC SERIES 2019	12/01/2039	MAN RED BEGINS 01/01/19	$ 73,685,000	$ 1,440,908	$ 72,244,092	$ 72,244,092
20192	CPCFA	12/31/2019	SBAF	NORTH FORK COMMUNITY POWER, LLC 2019A(TE)	06/01/2039	MAN RED BEGINS 12/01/22	$ 10,430,000	$ 0	$ 10,430,000	$ 10,430,000
20202	CPCFA	08/18/2020	LB	AMERICAN WATER CAPITAL CORP. 2020 (R)	08/01/2040	OPT RED BEGINS 07/01/23	$ 35,000,000	$ 0	$ 35,000,000	$ 35,000,000
20202	CPCFA	10/13/2020	SBAF	CALPLANT I, LLC SERIES 2020	07/01/2032	MAN RED BEGINS 07/01/23	$ 42,000,000	$ 0	$ 42,000,000	$ 42,000,000
20202	CPCFA	11/19/2020	SBAF	BLUE LINE TRANSFER, INC. SERIES 2020	11/01/2045	OPT RED BEGINS 12/01/24	$ 8,000,000	$ 1,000,000	$ 7,000,000	$ 7,000,000
20202	CPCFA	12/02/2020	SBAF	MISSION TRAIL WASTE SYSTEMS, INC. 2020	12/01/2045	OPT RED BEGINS 06/02/21	$ 25,000,000	$ 300,000	$ 24,700,000	$ 24,700,000
20202	CPCFA	12/15/2020	SBAF	CAL WASTE SOLUTIONS, INC. SERIES 2020 (N)(R)	12/01/2050	OPT RED BEGINS 01/02/26	$ 85,000,000	$ 24,000,000	$ 61,000,000	$ 61,000,000
20211	CPCFA	06/30/2021	SBAF	SOCAL BIOMETHANE, LLC SERIES 2021	06/01/2041	OPT RED BEGINS 08/05/21	$ 13,000,000	$ 3,225,403	$ 9,774,597	$ 9,774,597
20212	CPCFA	07/01/2021	SBAF	NAPA RECYCLING & WASTE SERVICES LLC 2021	07/01/2051	OPT RED BEGINS 02/02/22	$ 59,020,000	$ 12,530,000	$ 46,490,000	$ 46,490,000
20212	CPCFA	07/22/2021	SBAF	BAY COUNTIES WASTE SERVICE, INC. 2021 (N)(R)	07/01/2021	OPT RED BEGINS 02/02/22	$ 21,920,000	$ 9,075,000	$ 12,845,000	$ 12,845,000

Outstanding Bond Report

AS OF 6/30/2025

Year	Authority	Closing Date	Pgm Type	Bond Name	Final Maturity	Comments	Principal Issued	Principal Paid	Outstanding Debt	Outstanding Bond
20221	CPCFA	05/04/2022	LB	ATHENS SERVICES PROJECT 2022 SERIES A	05/01/2046	OPT RED BEGINS 12/01/22	$ 100,000,000	$ 0	$ 100,000,000	$ 100,000,000
20222	CPCFA	08/17/2022	SBAF	ATLAS DISPOSAL INDUSTRIES LLC 2022(N)(R)	08/01/2047	OPT RED BEGINS 03/01/22	$ 15,595,000	$ 0	$ 15,595,000	$ 15,595,000
20231	CPCFA	03/09/2023	LB	POSEIDON RESOURCES (CHANNELSIDE) LP 2023	11/21/2045	OPT RED BEGINS 07/01/26	$ 159,960,000	$ 0	$ 159,960,000	$ 159,960,000
20232	CPCFA	07/13/2023	LB	REPUBLIC SERVICES, INC. SERIES 2023 (R)	07/01/2043	MAN RED BEGINS 02/15/24	$ 144,205,000	$ 0	$ 144,205,000	$ 144,205,000
20232	CPCFA	08/31/2023	SBAF	TRI-CITY ECONOMIC DEVELOPMENT 2023	05/03/2034	MAN RED BEGINS 09/01/23	$ 11,016,000	$ 1,436,660	$ 9,579,340	$ 9,579,340
20232	CPCFA	11/21/2023	SBAF	GARAVENTA ENTERPRISES, INC. 2023	11/01/2053	MAN RED BEGINS 12/01/23	$ 81,705,000	$ 5,000,000	$ 76,705,000	$ 76,705,000
20241	CPCFA	05/22/2024	SBAF	MARBORG INDUSTRIES SERIES 2024	05/01/2054	MAN RED BEGINS 06/01/24	$ 44,500,000	$ 0	$ 44,500,000	$ 44,500,000
20242	CPCFA	10/10/2024	SBAF	NAPA RECYCLING & WASTE SERVICES LLC 2024	10/10/2054	MAN RED BEGINS 11/01/24	$ 23,500,000	$ 0	$ 23,500,000	$ 23,500,000
20251	CPCFA	01/10/2025	SBAF	TRI-CITY DEVELOPMENT CORP. 2025	02/01/2035	MAN RED BEGINS 09/01/25	$ 8,525,500	$ 0	$ 8,525,500	$ 8,525,500
20251	CPCFA	04/23/2025	SBAF	ATLAS DISPOSAL INDUSTRIES, LLC 2025	04/23/2055	MAN RED BEGINS 09/01/25	$ 18,000,000	$ 0	$ 18,000,000	$ 18,000,000
						Total:	**$3,054,756,500**	**$ 223,138,235**	**$ 2,831,618,265**	**$ 2,831,618,265**

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
Capital Programs and Climate 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 Capital Programs and Climate Financing Authority (the Authority) 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 June 26, 2026.

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 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 may exist that have not been identified.

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

June 26, 2026