CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY BOND FINANCING PROGRAM FUND

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2021 AND 2020

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

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JUNE 30, 2021 AND 2020

INDEPENDENT AUDITOR'S REPORT

CHFFA Members
California Health Facilities Financing Authority
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the California Health Facilities Financing Authority's (CHFFA) Bond Financing Program Fund (CHFFA Bond Program), a related organization of the State of California, as of and for the years ended June 30, 2021, and 2020, and the related notes to financial statements, which collectively comprise the CHFFA Bond Program's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the CHFFA Bond Program as of June 30, 2021, and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of CHFFA Bond Program's Proportionate Share of the Net Pension Liability, Schedule of CHFFA Bond Program's Pension Contributions, Schedule of CHFFA Bond Program's Proportionate Share of the Net OPEB Liability, and Schedule of CHFFA Bond Program's Contributions, Other Postemployment Benefit Plan on pages 4-8, 31, 32, 33, and 34, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the CHFFA Bond Financing Program Fund and do not purport to, and do not present fairly the financial position of CHFFA, as of June 30, 2021, and 2020, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022 on our consideration of the CHFFA Bond Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CHFFA Bond Program's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

September 28, 2022

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

This section of the financial statements of the California Health Facilities Financing Authority (CHFFA) presents management's discussion and analysis of the financial performance during the fiscal years that ended on June 30, 2021 and 2020. Please read it in conjunction with the financial statements that follow this section.

GENERAL BACKGROUND, OVERVIEW AND PROGRAMS

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

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

Conduit Financing Activity

During the fiscal years ended June 30, 2021 and June 30, 2020, CHFFA issued bonds totaling $1,503,410,000 and $1,703,945,000, respectively. As of June 30, 2021, CHFFA's total conduit debt issued was approximately $46 billion, and the total conduit debt outstanding was approximately $16. billion. As of June 30, 2020, CHFFA's total conduit debt issued was approximately $43 billion, and total conduit debt outstanding was approximately $18 billion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

CHFFA's financial statements report information 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 ***Balance Sheets*** include CHFFA's assets, liabilities, and net position for the fiscal years ended June 30, 2021 and 2020 and provide information about the nature and amounts of investments in resources (assets) and the obligations to CHFFA's creditors (liabilities) (see Table 1).

Table 1
Balance Sheets

	2021	2020	2019
Assets			
Current Assets	$ 16,299,834	$ 10,236,898	$ 9,643,608
Non-current Assests	3,320	-	-
Total Assets	16,303,154	10,236,898	9,643,608
Deferred Outflows of Resources	720,782	730,629	562,684
Total Assets and Deferred Outflows of Resources	$ 17,023,936	$ 10,967,527	$ 10,206,292
Liabilities			
Current Liabilities	$ 293,376	$ 411,857	$ 308,681
Non-Current Liabilities	5,124,769	3,532,674	3,907,248
Total Liabilities	5,418,145	3,944,531	4,215,929
Deferred Inflows of Resources	375,557	189,813	560,963
Net Position			
Restricted for purposes specified in enabling legislation	11,230,234	6,833,183	5,429,400
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 17,023,936	$ 10,967,527	$ 10,206,292

CHFFA's Total Liabilities, Deferred Inflows of Resources, and Net Position was $17,023,936 as of June 30, 2021, which was an increase from $10,967,527 as of June 30, 2020. The Total Assets and Deferred Outflows of Resources as of June 30, 2021 exhibited significant increase in Cash and Cash Equivalents in the State Treasury and an increase in Accounts Receivable and in Due from State-External Funds due to an increase in cash flows from the transfer of remaining balances from the California Health Access Model Program (CHAMP) Fund that closed, the closed CHFFA Community Clinic Grant Program of 2005 subfund (Anthem-Wellpoint), and prior year transfers of labor distribution costs due to personnel fund corrections. In addition, Non-current assets increased by $3,320 for fiscal year ended June 30, 2021 due to the purchase of equipment.

The ***Statements of Revenues, Expenses, and Changes in Net Position*** account for all the revenue earned, and expenses incurred by CHFFA for the fiscal years ended June 30, 2021 and 2020. These statements reflect the results of CHFFA's operations in each of the respective years (see Table 2).

Table 2

Statements of Revenues, Expenses, and Changes In Net Position

	2021	2020	2019
Operating Revenues			
Fee revenue	$ 2,491,914	$ 2,738,650	$ 1,828,024
Total Operating Revenues	2,491,914	2,738,650	1,828,024
Operating Expenses			
Personnel	1,021,969	1,232,576	1,090,645
Pension and OPEB	2,127,860	(579,559)	(1,851,215)
Operating expenses	1,091,136	805,579	1,278,454
Total operating expenses	4,240,965	1,458,596	517,884
Operating Income (Loss)	(1,749,051)	1,280,054	1,310,140
Non-Operating Revenues			
Interest income	56,066	123,729	161,254
Other Sources			
Transfers from Other CHFFA Funds	6,090,036		
Change in Net Position	4,397,051	1,403,783	1,471,394
Net Position - Beginning of Year	6,833,183	5,429,400	3,958,006
Net Position - End of Year	$ 11,230,234	$ 6,833,183	$ 5,429,400

For the fiscal year ended June 30, 2021, CHFFA's Change in Net Position of $4,397,051 reflects an increase from fiscal year ended June 30, 2020. Additionally, for fiscal year ended June 30, 2021, there was a significant increase in Net Position, End of Year from $6,833,183 in fiscal year ended June 30, 2020 to $11,230,234. This increase is due to transfers from other CHFFA funds of $6,090,036. Monies were returned to the CHFFA Fund from the closed CHAMP Fund and the closed CHFFA Community Clinic Grant Program of 2005 subfund (Anthem-Wellpoint). However, CHFFA saw an Operating Loss of $1,749,051 for the fiscal year ended June 30, 2021. For fiscal year ended June 30, 2021, the net loss of $1,749,051 was due to an increase in the Pension and OPEB expense. The increase in Pension and OPEB was due to a 10% increase in CHFFA salaries, which caused a greater portion of the OPEB liability to be allocated and the State Controller's Office allocation of OPEB liability to CHFFA increased.

The ***Statements of Cash Flows*** provide information about CHFFA's cash receipts and cash payments during the years ended June 30, 2021 and 2020. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing, noncapital financing and investment activities. The statements provide answers to questions of where cash came from, what cash was used for, and what caused changes in cash for the reporting period covered (see Table 3).

Table 3
Statements of Cash Flows

	2021	2020	2019
Cash Flows From Operating Activities			
Net cash provided (used) by operating activities	$ (1,654,756)	$ 1,360,643	$ (2,133,313)
Cash Flows from Investing Activities			
Net cash provided by investing activities	6,156,554	137,756	155,519
Net Increase (Decrease) in Cash and Cash Equivalents	4,501,798	1,498,399	(1,977,794)
Beginning Cash and Cash Equivalents	8,253,310	6,754,911	8,732,705
Ending Cash and Cash Equivalents	$ 12,755,108	$ 8,253,310	$ 6,754,911

For the fiscal year ended June 30, 2021, Cash Flows from Operating Activities decreased to a negative ($1,654,756) due to adjustments to prior year expenses for employees who were previously allocated to CHFFA and then moved to the general fund. The Ending Cash and Cash Equivalents increased in fiscal year ended June 30, 2021 from $8,253,310 in fiscal year ended June 30, 2020 to $12,755,108 despite the Operating Loss for fiscal year ended June 30, 2021. This net increase is primarily due to amounts transferred from other funds (see Table 2, Other Sources, Transfers from Other Funds.) As previously mentioned, monies were returned to the CHFFA Fund from the closed CHAMP Fund and the closed CHFFA Community Clinic Grant Program of 2005 subfund (Anthem-Wellpoint).

ANALYSIS OF FISCAL YEAR (FY) 2020/2021 ACTIVITIES

Applications received in FY 2020/2021:	**5**
Final Resolutions Adopted in FY 2020/2021:	**6**
Bonds Sold in FY 2020/2021:	**$1,503,410,000**

ANALYSIS OF FISCAL YEAR 2019/2020 ACTIVITIES

Applications received in FY 2019/2020:	**5**
Final Resolutions Adopted in FY 2019/2020:	**5**
Bonds Sold in FY 2019/2020:	**$1,703,945,000**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of CHFFA's financial position and is intended for distribution to a variety of interested parties. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, California Health Facilities Financing Authority, 915 Capitol Mall, Suite 435, Sacramento, California 95814.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

BALANCE SHEETS
JUNE 30, 2021 AND 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2021	2020
CURRENT ASSETS:		
Cash and Cash Equivalents in the State Treasury	$ 12,755,108	$ 8,253,310
Accounts Receivable (Net)	2,871,356	1,870,623
Due from External Funds	673,370	112,965
Total Current Assets	16,299,834	10,236,898
NON-CURRENT ASSETS:		
Capital Assets (Net)	3,320	-
Total Noncurrent Assets	3,320	-
TOTAL ASSETS	16,303,154	10,236,898
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred Outflows of Resources Related to Pensions	528,033	623,518
Deferred Outflows of Resources Related to OPEB	192,749	107,111
Total Deferred Outflows of Resources	720,782	730,629
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 17,023,936	$ 10,967,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES:		
Accounts Payable	$ 79,862	$ 21,005
Due to State - External Funds	96,551	304,821
Current Accrued Vacation	70,254	42,120
Loan Payable - SMIF (SB 84)	46,709	43,911
Total Current Liabilities	293,376	411,857
NON-CURRENT LIABILITIES:		
Accrued Vacation (Net)	261,978	198,802
Loan Payable - SMIF (SB 84)	140,974	187,683
Net OPEB Liability	2,187,558	712,140
Net Pension Liability	2,534,259	2,434,049
Total Non-Current Liabilities	5,124,769	3,532,674
TOTAL LIABILITIES	5,418,145	3,944,531
DEFERRED INFLOWS OF RESOURCES:		
Deferred Inflows of Resources Related to Pensions	64,387	76,188
Deferred Inflows of Resources Related to OPEB	311,170	113,625
Total Deferred Inflows of Resources	375,557	189,813
NET POSITION:		
Restricted for Purposes Specified in Enabling Legislation	11,230,234	6,833,183
Total Net Position	11,230,234	6,833,183
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 17,023,936	$ 10,967,527

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

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
OPERATING REVENUES:		
Fee Revenue	$ 2,491,914	$ 2,738,650
Total Operating Revenues	2,491,914	2,738,650
OPERATING EXPENSES:		
Salaries and Wages	853,641	1,034,586
Benefits and Other Personnel Related	168,328	197,990
Pension and OPEB	2,127,860	(579,559)
Operating Expenses	1,091,136	805,579
Total Operating Expenses	4,240,965	1,458,596
OPERATING INCOME (LOSS)	(1,749,051)	1,280,054
NON-OPERATING REVENUES:		
Interest Income on Investments	56,066	123,729
Total Non-Operating Revenues	56,066	123,729
OTHER SOURCES:		
Transfers From Other CHFFA Funds	6,090,036	-
Total Other Sources	6,090,036	-
CHANGE IN NET POSITION	4,397,051	1,403,783
NET POSITION		
NET POSITION, Beginning of Year	6,833,183	5,429,400
NET POSITION, End of Year	$ 11,230,234	$ 6,833,183

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENTS OF CASH FLOWS
JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Fees	$ 1,491,181	$ 3,494,500
Payments to Employees	(1,331,211)	(1,594,838)
Payments to Suppliers of Goods and Services	(1,814,726)	(539,019)
Net Cash Provided (Used) by Operating Activities	(1,654,756)	1,360,643
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Investment Income	69,838	137,756
Purchases of Capital Assets	(3,320)	-
Amounts Transferred From (To) Other Funds	6,090,036	-
Net Cash Provided by Investing Activities	6,156,554	137,756
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,501,798	1,498,399
BEGINNING CASH AND CASH EQUIVALENTS	8,253,310	6,754,911
ENDING CASH AND CASH EQUIVALENTS	$ 12,755,108	$ 8,253,310
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (1,749,051)	$ 1,280,054
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS:		
(Increase) Decrease in:		
Accounts Receivable	(1,000,733)	755,850
Due from State - External Funds	(574,177)	135,232
Deferred Outflows Related to Pensions	95,485	(85,257)
Deferred Outflows Related to OPEB	(85,638)	(82,688)
Increase (Decrease) in:		
Accounts Payable	58,857	(5,706)
Due to State - External Funds	(208,270)	137,034
Accrued Vacation	91,310	45,060
Loan Payable - SMIF (SB 84)	(43,911)	(16,723)
Net OPEB Liability	1,475,418	(833,257)
Net Pension Liability	100,210	402,194
Deferred Inflows Related to Pensions	(11,801)	(191,285)
Deferred Inflows Related to OPEB	197,545	(179,865)
Net Cash Provided (Used) by Operating Activities	$ (1,654,756)	$ 1,360,643

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL

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

CHFFA's enabling legislation guides the specific types of eligible entities, covering a wide range of entities, including without limitation, acute care and psychiatric hospitals, specialty centers, intermediate and skilled nursing care facilities, clinics and adult day health centers. The legislation also addresses project eligibility (including without limitation, construction, expansion, remodeling, renovation, and refinances), in addition to the make-up and responsibility of the nine member board. The CHFFA Bond Program has served as conduit issuer for a wide range of borrowers under the following bond financing programs:

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

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

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

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

B. THE REPORTING ENTITY

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

C. BASIS OF PRESENTATION

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

D. ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of initial and annual administration fees receivable from conduit bond financing borrowers. Accounts receivable are reported net of an allowance for doubtful accounts of $13,757 and $118,397 as of June 30, 2021, and 2020, respectively. Management's estimate of the allowance is based on historical collection experience and a review of the current status of fees receivable.

E. REVENUES

Fees are for the staff work related to bond and equipment financing and post-issuance activities and for the review of bond transactions.

Bond financing program fees are as follows:

Borrower Type	Application Fee	Initial Fee	Annual Administrative Fee
Private Health Facility (or system) with annual gross revenues of $2.5 million or greater	$0	0.05% of aggregate amount of issue, up to a maximum of $100,000	0.0175% of bonds outstanding, up to a maximum of $150,000
Private Health Facility (or System) with annual gross revenues of less than $2.5 million	$0	$1,000	The lesser of 0.0175% of bonds outstanding, or $500
Public (City, County or District) Health Facility	$0	$1,000	The lesser of 0.0175% of bonds outstanding, or $500

Equipment financing program fees are as follows:

Borrower Type	Application Fee	Initial Fee	Annual Administrative Fee
All borrowers	$500	0.05% of aggregate amount of issue	$400 annually, as long as there is an outstanding loan balance

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

Cash is held by Surplus Money Investment Fund (SMIF) and generates investment income.

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

F. TRANSFERS FROM OTHER CHFFA FUNDS

During the year ended June 30, 2021, $5,977,297 was transferred to the CHFFA Bond Program from the California Health Access Model Program Account, California Health Facilities Financing Authority Fund, upon abolishment of the program. Another $112,739 was transferred to the CHFFA Bond Program from the CHFFA Community Clinic Grant Program of 2005 subfund (Anthem-Wellpoint).

G. BUDGET

As an enterprise fund, CHFFA is designed to be self-supporting, and therefore is not considered a budgetary fund. The California Health Facilities Financing Authority Act (California Government Code Section 15430-15463) does not require annual budgets or the establishment of appropriations limits. Section 15440 of the Act specifically limits expenses to moneys from revenues generated by operations.

H. CASH AND CASH EQUIVALENTS

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

I. CAPITAL ASSETS

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

J. RISK MANAGEMENT

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

K. ACCRUED VACATION

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

L. PENSION

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

M. OTHER POSTEMPLOYMENT BENEFITS (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 CHFFA Bond Program'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, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. NET POSITION

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

O. USE OF ESTIMATES TO PREPARE FINANCIAL STATEMENTS

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

2. CASH AND CASH EQUIVALENTS IN THE STATE TREASURY

CHFFA considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash and equivalents in the State Treasury at June 30 were as follows:

	2021	2020
Deposits in SMIF	$ 12,735,000	$ 8,242,000
Cash in the State Treasury	20,108	11,310
Total Cash and Cash Equivalents	$ 12,755,108	$ 8,253,310

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

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

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

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

3. DUE TO/FROM STATE – EXTERNAL FUNDS

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

Due From (Due To)	Description	2021	2020
Children's Hospital Bond Act Fund	Personnel Costs	$ 151,190	$ 74,526
General Fund	Personnel Costs	512,066	13,785
SMIF	Interest Income	10,114	23,886
The Supportive Housing Program	Miscellaneous	-	768
California Educational Facilities Authority	Personnel Costs	(78,481)	(153,878)
General Fund	Administrative Costs	(291)	(150,676)
Department of General Services	Miscellaneous	-	(47)
Supportive Housing Program	Miscellaneous	(385)	-
Children's Hospital Bond Act Fund	Personnel Costs	(4,964)	-
Legal Services	DOJ Attorney Services	(12,430)	(220)
Net Due From (To) State External Funds		$ 576,819	$ (191,856)

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

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Capital assets, being depreciated and amortized:				
Equipment	$ 21,034	$ 6,036	$ -	$ 27,070
Computer software - amortizable	65,000	-	(65,000)	-
Total capital assets being depreciated and amortized:	86,034	6,036	(65,000)	27,070
Less accumulated depreciation and amortization for:				
Equipment	(21,034)	(2,716)	-	(23,750)
Computer software	(65,000)	-	65,000	-
Total accumulated depreciation and amortization	(86,034)	(2,716)	65,000	(23,750)
Total capital assets, being depreciated	$ -	$ 3,320	$ -	$ 3,320

5. ACCRUED VACATION

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

Accrued vacation activity for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Accrued vacation	$ 240,922	$ 180,247	$ (88,937)	$ 332,232	$ 70,254

Accrued vacation activity for the fiscal year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Accrued vacation	$ 195,862	$ 90,692	$ (45,632)	$ 240,922	$ 42,120

6. JOINT VENTURE

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

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

All interest earned on the Loan Loss Reserve account was split equally between CHFFA and NCBDC and interest is periodically remitted. As of June 30, 2020, the CHFFA Bond Program's portion of the balance in the Loan Loss Reserve Account was a zero balance. The account was cleared out and cash returned to CHFFA in January 2020 as all outstanding balances of loans made under the program were paid off.

7. RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Descriptions – All of the employees of CHFFA participate in the California Public Employees' Retirement System (CalPERS), which is included in the State of California's Annual Comprehensive Financial Report (ACFR) as a fiduciary component unit. CalPERS administers the Public Employees'

Retirement Fund (PERF). PERF is an agent multiple employer defined benefit retirement plan. Departments and agencies within the state, including CHFFA, are in a cost-sharing arrangement in which all risks and costs are shared proportionately by participating state agencies. Since all state agencies and certain related organizations, including CHFFA, are considered collectively to be a single employer for plan purposes, the actuarial present value of vested and non-vested accumulated plan benefits attributable to the CHFFA employees cannot be determined. The significant actuarial assumptions used to compute the actuarially determined state contribution requirements are the same as those used to compute the state pension benefit obligation as defined by CalPERS. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov

The California Legislature passed, and the Governor signed, the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by state statute.

Benefits Provided – The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five or ten years of credited service.

The Plans' provisions and benefits are summarized as follows:

First Tier:

Hire date	Prior to January 15, 2011	January 15, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 to 67	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	1.1 to 2.5%	1.092 to 2.418%	1.0 to 2.5%

Second Tier:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	1.25% @ 65	1.25% @ 67
Benefit vesting schedule	10 years service	10 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	0.5 to 1.25%	0.65 to 1.25%

Contributions – Government Code Section 20814(c) of the California Public Employees Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. CHFFA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by CHFFA to satisfy contribution requirements are classified as plan member contributions.

For the measurement period ended June 30, 2020 (the measurement date) the employer's contribution rate is approximately 30.977% of annual payroll. For the measurement period ended June 30, 2019, the employer's contribution rate was approximately 29.289% of annual payroll.

These rates reflect Government Code Section 20683.2, which mandates that certain employees must contribute more as of July 1, 2013. Furthermore, any reduction in employer contributions due to the increase in the employee contributions must be paid by the employer towards the unfunded liability. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution. Contributions to the Plan were $250,120 and $305,200 for the fiscal years ended June 30, 2021 and 2020, respectively.

In addition to CHFFA's Bond Program contributions to the plan, during the fiscal year ended June 30, 2018, SMIF made a contribution to the Plan of $248,317, on behalf of the CHFFA Bond Program, as required by Senate Bill No. 84, Chapter 50, Statutes of 2017 (SB 84), to fund future Net Pension Liabilities. CHFFA's Bond Program established a loan payable to SMIF for this contribution as required by SB 84. This loan payable is required to be repaid by June 30, 2030. The outstanding balance on the loan payable as of June 30, 2021, was $187,683.

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

As of June 30, 2021, and 2020, the CHFFA Bond Program reported net pension liabilities for its proportionate share of the net pension liability of $2,534,259 and $2,434,049, respectively.

CHFFA's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, 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, 2019, rolled forward to June 30, 2020, using standard update procedures. The CHFFA Bond Program's proportion of the net pension liability was based on the State Controller's Office (SCO) projection for CHFFA. The SCO identified a total of 29 entities that are reported in the state's CAFR which are proprietary funds (enterprise and internal service) and fiduciary funds (pension and other employee benefit trust funds), component units (discretely presented and fiduciary), and related organizations, that have state employees with pensionable compensation (covered payroll). The SCO calculated and provided these funds/organizations with their allocated pensionable compensation percentages by plan. The CHFFA Bond Program's proportionate share of the net pension liability for the Plan as of June 30, 2020, and 2019 were 0.007290% and 0.007237%, respectively.

For the fiscal years ended June 30, 2021, and 2020, CHFFA's Bond Program recognized pension expense was $434,014 and $430,852, respectively.

At June 30, 2021, CHFFA's Bond Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 250,120	$ -
Change in assumptions	-	(26,944)
Change in proportion	89,580	-
Difference between expected and actual experience	125,855	(1)
Change in proportionate share of contributions	-	(37,442)
Net difference between projected and actual earnings on plan investments	62,478	-
Total	$ 528,033	$ (64,387)

The $250,120 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	
2022	$ 31,387
2023	109,655
2024	45,480
2025	27,005

At June 30, 2020, CHFFA's Bond Program reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 305,200	$ -
Change in assumptions	102,535	(51,059)
Change in proportion	24,414	-
Difference between expected and actual experience	127,730	(7,003)
Change in proportionate share of contributions	63,639	-
Net difference between projected and actual earnings on plan investments	-	(18,126)
Total	$ 623,518	$ (76,188)

The $305,200 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30		
2021	$	143,085
2022		2,448
2023		80,321
2024		16,276

Actuarial Assumptions – For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2020, total pension liabilities were based on the following actuarial assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Interest Rate of Return	7.15%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table(1)	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

(1) The mortality rate table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 (Experience Study) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

Changes in Assumptions – For the measurement period ended June 30, 2020, and 2019 (the measurement date), there were no changes in assumptions.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. The projection of cash flows used to determine the discount rate assumed the contributions from plans members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability. CalPERS' approach for the cash flow projections are presented in the GASB 67 and 68 Crossover Testing Report, which may be obtained from the CalPERS' website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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 used to measure the total pension liability.

Asset Class[(a)]	**New Strategic Allocation**	**Real Return Years 1 – 10[(b)]**	**Real Return Years 11+[(c)]**
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; and Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation rate of 2.0% was used for this period.

(c) An expected inflation rate of 2.92% was used for this period.

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

The following presents CHFFA Bond Program's proportionate share of the net pension liability of the Plan as of the June 30, 2020, measurement date, calculated using the discount rate of 7.15%, as well as what CHFFA Bond Program's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
CHFFA Bond Program's Proportionate Share of Plan's Net Pension Liability	$ 3,611,561	$ 2,534,259	$ 1,631,380

The following presents CHFFA Bond Program's proportionate share of the net pension liability of the Plan as of the June 30, 2019, measurement date, calculated using the discount rate of 7.15%, as well as what CHFFA Bond Program's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15%) or one percentage-point higher (8.15%) than the current rate:

	Discount Rate – 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
CHFFA Bond Program's Proportionate Share of Plan's Net Pension Liability	$ 3,468,253	$ 2,434,049	$ 1,567,721

8. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. *General Information about the OPEB Plan*

Plan Description – The State also provides postemployment medical and prescription drug benefits to employees and dependents through CalPERS under the Public Employees' Medical and Hospital Care Act, and dental benefits under the State Employees' Dental Care Act. The State, and certain bargaining units and judicial employees (valuation groups) have agreed to prefund retiree healthcare benefits. Assets are held in separate accounts by valuation group within the California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS, an agent multiple employer defined benefit other postemployment benefits plan (State's Substantive Plan, or Plan). Assets within each valuation group benefit retirees and dependents associated with that valuation group. CalPERS reports on the CERBT as part of its separately issued annual financial statements, which can be obtained from CalPERS on its website at www.CalPERS.ca.gov.

The State has identified 25 separate valuation groups within the Plan. For each agency and/or fund, the SCO determined the proportion of OPEB employer contributions attributable to employees within these valuation groups. SCO then used these proportions to allocate the OPEB accounting elements from the June 30, 2020, and June 30, 2019, respectively, State of California Retiree Health Benefits Program Actuarial Valuation Report to state agencies and their funds.

Benefits Provided – In accordance with the California Government Code, the State generally pays 100% of the health insurance premium cost for annuitants, plus 90% of the additional premium required for the enrollment of family members of annuitants. The State generally pays all or a portion of the dental insurance premium cost for annuitants, depending upon the completed years of credited state service at retirement and the dental coverage selected. The maximum 2020 monthly state contribution was $767 for one-party coverage, $1,461 for two-party coverage, and $1,398 for family coverage. The maximum 2019 monthly state contribution was $734 for one-party coverage, $1,398 for two-party coverage, and $1,788 for family coverage. To be eligible for these benefits, primary government first-tier plan annuitants must retire on or after age 50 with at least five years of service, and second tier plan annuitants must retire on or after age 55 with at least 10 years of service. In addition, annuitants must retire within 120 days of separation from employment to be eligible to receive these benefits.

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

CHFFA participates in the 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 Plan which can be found on the SCO's website at www.sco.ca.gov . Contributions to the Plan from CHFFA were $106,521 and $85,399 for the fiscal years ended June 30, 2021, and 2020, respectively.

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

At June 30, 2021 and 2021, CHFFA reported a liability of $2,187,558 and $712,140, respectively, for its proportionate share of the Plan net OPEB liability. The net OPEB liability at June 30, 2021 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The net OPEB liability at June 30, 2020 was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. CHFFA's proportion of the net OPEB liability was based on the SCO's projection for CHFFA. CHFFA's combined proportionate share, based on its attributable employee valuation group's OPEB employer contributions, as of June 30, 2020, and 2019 was 0.002824% and 0.001843%, respectively.

For the fiscal years ended June 30, 2021, and 2020, CHFFA recognized OPEB expense of $1,693,846 and $(1,010,411), respectively.

At June 30, 2021, CHFFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 84,978	$ (136,840)
Difference between expected and actual experience	625	(174,330)
Difference between projected and actual investment earnings of pension plan investments	625	-
OPEB contributions subsequent to measurement date	106,521	-
Total	$ 192,749	$ (311,170)

The $106,521 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in CHFFA's OPEB expense as follows:

Fiscal Year Ending June 30	
2022	$ (65,292)
2023	(65,229)
2024	(58,419)
2025	(37,128)
2026	1,314
Thereafter	(2,187)

At June 30, 2020, CHFFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 20,988	$ (62,240)
Difference between expected and actual experience	724	(51,385)
OPEB contributions subsequent to measurement date	85,399	-
Total	$ 107,111	$ (113,625)

The $85,399 reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in CHFFA's OPEB expense as follows:

Fiscal Year Ending June 30		
2021	$	(21,639)
2022		(21,349)
2023		(21,566)
2024		(19,323)
2025		(9,915)
Thereafter		1,879

Actuarial Assumptions

For the measurement period ended June 30, 2020 (the measurement date), the total OPEB liability was determined using a June 30, 2020, valuation date. The June 30, 2019, total OPEB liability was based on the following actuarial methods and assumptions:

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	Blended rate for each valuation group, consisting of 6.75% when assets are available to pay benefits, otherwise 20-year Municipal G.O. Bond AA Index rate of 2.45%
Inflation	2.25%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.75%, net of OPEB plan investment expenses but without reduction for OPEB plan administrative expenses
Health care cost trend rates	*Pre-Medicare coverage*: Actual rates for 2021, increasing to 7.50% in 2022, then decreasing 0.50% per year to an ultimate rate of 4.50% for 2028 through 2036, then to 4.25% for 2037 and later years *Post-Medicare coverage*: Actual rates for 2021, increasing to 7.50% in 2022, then decreasing 0.50% per year to an ultimate rate of 4.50% for 2028 through 2036, then to 4.25% for 2037 and later years *Dental coverage*: 0.01% in 2021, 2.00% for 2022, 3.00% for 2023, 4.00% for 2024, and 4.25% for 2025 and later years
Mortality Rate Table	Derived using CalPERS' Membership data for all members

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries 90% Scale MP 2016. For more details on this table, refer to the 2017 *CalPERS Experience Study and Review of Actuarial Assumptions* report (Experience Study) for the period from 1997 to 2015. Other demographic assumptions used in the

June 30, 2019, valuation were also based on the results of the 2017 Experience Study, including updates to termination, disability, mortality assumptions, and retirement rates. The 2017 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 State of California Retiree Health Benefits Program 2018 Experience Review performed by Gabriel, Roeder, Smith and Company (GRS) for the period from 2014 to 2018. Other healthcare assumptions such as member healthcare plan selection, coverage and continuance, select and ultimate healthcare cost trend rates, and per capita claim costs and expenses, are based on the most current information available. The GRS 2018 Experience Review is available at StateGovReports@sco.ca.gov, or visit www.sco.ca.gov.

Changes in Assumptions – For the actuarial valuation date of June 30, 2020, the blended discount rate was changed from 3.13% to 2.45%, which is equal to the municipal bond rate at June 30, 2020. For the actuarial valuation as of June 30, 2019, the discount rate was lowered from 7.00% to 6.75%. In addition, both the price inflation assumption and the wage inflation assumption were reduced by 0.25%.

Discount Rate – The discount rate used to measure the total OPEB liability was based on a blended rate for each valuation group. The blended rate used to measure the June 30, 2020, total OPEB liability consists of the 20-year Municipal G.O. Bond AA Index rate of 3.13% as of June 30, 2020, as reported by Fidelity, when prefunding assets are not available to pay benefits, and 6.75% when prefunding assets are available to pay benefits. The cash flow projections used to calculate the blended discount rate were developed assuming that prefunding agreements in which actuarially determined normal costs are shared between employees and the State will continue and that the required contributions will be made on time and as scheduled beginning in 2023 and thereafter. The actuarial valuation as of June 30, 2020, includes the impact of the temporary suspensions of employee contributions under the Personal Leave Program that was in effect during the fiscal years ended June 30, 2021, and June 30, 2022. The prefunding agreements are subject to collective bargaining and legislative approval. Detailed information on the blended discount rates by valuation group is available in the *State of California Retiree Health Benefits Program GASB Nos. 74 and 75 Actuarial Valuation Report as of June 30, 2020, and 2019*, on the State Controller's Office website, at www.SCO.ca.gov.

The long-term expected rate of return on OPEB plan investments was determined by GRS using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Expected compound (geometric) returns were calculated over a closed period. Based on separate expected real returns for the short-term (first 10 years) and the long-term (11-40 years), and an average inflation assumption of 2.25%, a single expected nominal return rate of 6.75% was calculated for the combined short-term and long-term periods. If applied to expected cash flows during that period, the resulting present value of benefits is expected to be consistent with the present value of benefits that would be determined by applying the short and long-term expected rates to the same cash flows.

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

Asset Class	Target Allocation	Real Return Years 1 - 10	Real Return Years 11+
Global Equity	59.00%	4.80%	5.98%
Fixed Income	25.00%	1.10%	2.62%
Treasury Inflation-Protected Securities	5.00%	0.25%	1.46%
Real Estate Investment Trusts	8.00%	3.50%	5.00%
Commodities	3.00%	1.50%	2.87%

GRS used an expected inflation rate of 1.75% for the real return rates in years 1-10 and 2.67% for the real return rates in years 11-40.

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

The following presents CHFFA's proportionate share of the net OPEB liability, as well as what CHFFA's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	Blended Discount Rate –1%	Blended Discount Rate	Blended Discount Rate +1%
Net OPEB liability	$ 2,564,110	$ 2,187,558	$ 1,851,343

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

The following presents CHFFA's proportionate share of the net OPEB liability, as well as what CHFFA's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates –1%	Healthcare Cost Trend Rates	Healthcare Cost Trend Rates +1%
Net OPEB liability	$ 1,893,085	$ 2,187,558	$ 2,519,650

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

9. CONDUIT FINANCING PROGRAMS

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

As of June 30, 2021 and 2020, there were $16,483,035,671 and $17,867,944,380, respectively, in conduit financings outstanding. The CHFFA Bond Program assisted with the issuance of financings in the amount of $1,503,410,000 and $1,703,945,000 for the fiscal years ended June 30, 2021 and 2020, respectively. Additionally, the amounts of bonds authorized by the CHFFA Bond Program with active resolutions that remain unsold were $2,066,445,000 and $1,989,865,000 as of June 30, 2021 and 2020, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2021
LAST 10 YEARS*

	Measurement Date						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
CHFFA Bond Program's proportion of the net pension liability	0.007290%	0.007237%	0.006468%	0.006921%	0.007373%	0.007546%	0.005999%
CHFFA Bond Program's proportionate share of the net pension liability	$2,534,259	$2,434,049	$2,031,855	$2,528,699	$2,441,532	$2,131,122	$1,513,015
CHFFA Bond Program's covered-employee payroll	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232	$ 877,791	$ 668,857
CHFFA Bond Program's proportionate share of the net pension liability as a percentage of its covered-employee payroll	256.11%	258.08%	251.45%	303.83%	297.66%	242.78%	226.21%
Plan fiduciary net position as a percentage of the total pension liability	71.51%	71.34%	71.83%	66.42%	66.81%	70.68%	73.05%

Notes to Schedule:

Change of benefit terms – For the measurement dates ended June 30, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% to correct an adjustment which previously reduced the discount rate for administrative expenses. For the measurement dates ended June 30, 2020, 2019, 2016 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the financial reporting discount rate for the Plan lowered from 7.65% to 7.15%. For the measurement date ended June 30, 2018, demographic assumptions and inflation rate were changed.

* Fiscal year 2015 was the first year of implementation, therefore only Six years are shown.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PENSION CONTRIBUTIONS
AS OF JUNE 30, 2021
LAST 10 YEARS*

	Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 250,120	$ 305,200	$ 274,072	$ 236,613	$ 249,662	$ 200,708	$ 186,885
Contributions in relation to the contractually required contribution	(250,120)	(305,200)	(274,072)	(484,930)	(249,662)	(200,708)	(186,885)
Contribution deficiency (excess)	$ -	$ -	$ -	$ (248,317)	$ -	$ -	$ -
CHFFA Bond Program's covered-employee payroll	$1,174,062	$ 989,526	$ 943,146	$ 808,058	$ 832,270	$ 820,232	$ 877,791
Contributions as a percentage of covered-employee payroll	21.30%	30.84%	29.06%	60.01%	30.00%	24.47%	21.29%

* Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AS OF JUNE 30, 2021 LAST 10 YEARS*

	Measurement Date			
	2020	**2019**	**2018**	**2017**
CHFFA Bond Program's proportion of the net OPEB liability	0.002824%	0.001843%	0.005013%	0.006970%
CHFFA Bond Program's proportionate share of the net OPEB liability	$2,187,558	$ 712,140	$1,545,397	$3,747,063
CHFFA Bond Program's covered-employee payroll	$ 989,526	$ 943,146	$ 808,058	$ 832,270
CHFFA Bond Program's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	221.07%	75.51%	191.25%	450.22%
Plan fiduciary net position as a percentage of the total OPEB liability	2.748%	1.690%	1.011%	0.546%

Notes to Schedule:

Change of benefit terms – For the measurement dates ended June 30, 2020, 2019, 2018 and 2017, there were no changes to the benefit terms.

Changes in assumptions – For the measurement period ended June 30, 2018 and 2017, healthcare related assumptions were updated based on experience through June 30, 2018 and 2017, respectively. For measurement period ended June 30, 2019, the discount rate was lowered from 7.00% to 6.75% and inflation assumptions were reduced by 0.25%. For the measurement period ended June 30, 2020, the blended discount rate was changed from 3.13% to 2.45%.

* Fiscal year 2018 was the first year of implementation, therefore only three years are presented.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

SCHEDULE OF CHFFA BOND PROGRAM'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN
AS OF JUNE 30, 2021
LAST 10 YEARS*

	Fiscal Year			
	2021	**2020**	**2019**	**2018**
Contractually required contribution	$ 106,521	$ 85,399	$ 21,712	$ 71,429
Contributions in relation to the contractually required contributions	(106,521)	(85,399)	(21,712)	(71,429)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
CHFFA Bond Program's covered-employee payroll	$1,174,062	$ 989,526	$ 943,146	$ 808,058
Contributions as a percentage of covered-employee payroll	9.07%	8.63%	2.30%	8.84%

* Fiscal year 2018 was the first year of implementation, therefore only three years are presented.

SUPPLEMENTARY INFORMATION

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2021

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Defeased/ Retired	Bonds Outstanding as of June 30, 2021
Adventist Health System/West, 1998 Series B	18-Feb-98	01-Sep-28	$ 42,200,000	$ 25,700,000	$ 16,500,000
Adventist Health System/West, 2009 Series B	20-May-09	01-Sep-38	30,000,000	-	30,000,000
Adventist Health System/West, Series 2011A	09-Jun-11	01-Mar-41	130,000,000	49,490,000	80,510,000
Adventist Health System/West, Series 2013A	14-Feb-13	01-Mar-43	290,365,000	50,115,000	240,250,000
Adventist Health System/West, Series 2016A	08-Sep-16	01-Mar-39	280,010,000	54,650,000	225,360,000
AltaMed Health Services Corporation, Series 2015A	01-Oct-15	01-Oct-40	90,560,000	-	90,560,000
AltaMed Health Services Corporation, Series 2015B	01-Oct-15	01-Oct-35	11,000,000	-	11,000,000
Asian Community Center of Sacramento Valley, Inc., Series 2016	22-Nov-16	01-Apr-37	16,080,000	2,245,000	13,835,000
Beacon House Association of San Pedro (The), Series 2011	20-Oct-11	01-Dec-23	1,505,000	1,070,000	435,000
California-Nevada Methodist Homes, Series 2015	21-Oct-15	01-Jul-45	32,920,000	2,695,000	30,225,000
Casa Colina, Series 2013	13-Sep-13	01-Apr-32	21,190,000	6,505,000	14,685,000
Casa Colina, Series 2016	30-Sep-16	01-Apr-41	36,400,000	3,425,000	32,975,000
Catholic Healthcare West, 2011 Series B	09-Nov-11	01-Mar-47	75,000,000	-	75,000,000
Catholic Healthcare West, 2011 Series C	09-Nov-11	01-Mar-47	75,000,000	-	75,000,000
Cedars-Sinai Medical Center, Series 2011	21-Dec-11	15-Aug-21	148,400,000	128,555,000	19,845,000
Cedars-Sinai Medical Center, Series 2015	17-Nov-15	15-Nov-34	370,220,000	8,720,000	361,500,000
Cedars-Sinai Medical Center, Series 2016A	09-Nov-16	15-Aug-36	267,420,000	22,900,000	244,520,000
Cedars-Sinai Medical Center, Series 2016B	09-Nov-16	15-Aug-39	402,305,000	1,625,000	400,680,000
Children's Hospital Los Angeles, Series 2012A	15-Aug-12	15-Nov-34	120,760,000	8,515,000	112,245,000
Children's Hospital Los Angeles, Series 2017A	06-Jun-17	15-Aug-49	274,520,000	-	274,520,000
Children's Hospital Los Angeles, Series 2017B	06-Jun-17	15-Aug-51	52,180,000	-	52,180,000
Children's Hospital of Orange County, 2009 Series B	30-Jun-09	01-Nov-38	50,000,000	8,800,000	41,200,000
Children's Hospital of Orange County, 2009 Series C	30-Jun-09	01-Nov-38	50,000,000	8,800,000	41,200,000
Children's Hospital of Orange County, 2009 Series D	30-Jun-09	01-Nov-34	27,800,000	7,700,000	20,100,000
Children's Hospital of Orange County, Series 2011A	03-Nov-11	01-Nov-41	106,735,000	3,390,000	103,345,000
Children's Hospital of Orange County, Series 2019A	06-Aug-19	01-Nov-38	88,390,000	8,180,000	80,210,000
Chinese Hospital Association, Series 2012	08-Nov-12	01-Jun-42	65,000,000	8,635,000	56,365,000
City of Hope, Series 2012A	14-Nov-12	15-Nov-39	234,635,000	40,000,000	194,635,000
City of Hope, Series 2017A	10-Feb-17	15-Nov-42	32,680,000	-	32,680,000
City of Hope, Series 2017B	10-Feb-17	15-Nov-42	32,680,000	-	32,680,000
City of Hope, Series 2019	31-Jul-19	15-Nov-49	334,905,000	-	334,905,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2021

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Defeased/ Retired	Bonds Outstanding as of June 30, 2021
Clinicas de Salud del Pueblo, Inc. and Valley Health Team, Inc., 2008 Series A	11-Mar-08	01-Jul-32	6,250,000	5,235,000	1,015,000
CommonSpirit Health, Series 2020A	28-Oct-20	01-Apr-49	577,060,000	-	577,060,000
Community Program for Persons with Developmental Disabilities, 2011 Series A	17-Feb-11	01-Feb-26	44,725,000	25,640,000	19,085,000
Community Program for Persons with Developmental Disabilities, 2011 Series B	17-Feb-11	01-Feb-26	32,245,000	17,795,000	14,450,000
Dignity Health, 2012 Series A	27-Jun-12	01-Mar-28	140,000,000	-	140,000,000
Dignity Health, 2014 Series B	15-Oct-14	01-Mar-25	294,510,000	-	294,510,000
Dignity Health, Series 2016A	06-Dec-16	01-Mar-42	270,095,000	-	270,095,000
El Camino Hospital, Series 2015A	07-May-15	01-Feb-45	160,455,000	24,785,000	135,670,000
El Camino Hospital, Series 2017	14-Mar-17	01-Feb-47	292,435,000	9,560,000	282,875,000
Equipment Loan Program (BofA) AltaMed Health Services Corporation, Series 2015A	29-Sep-15	29-Sep-22	17,200,000	13,956,766	3,243,234
Equipment Loan Program (BofA) AltaMed Health Services Corporation, Series 2018A	30-Oct-18	30-Oct-23	20,000,000	10,270,677	9,729,324
Gateways Hospital and Mental Health Center, 2011 Series A	01-Dec-11	01-Dec-36	5,000,000	-	5,000,000
Gateways Hospital and Mental Health Center, 2011 Series B	01-Dec-11	01-Dec-24	3,085,000	2,025,000	1,060,000
Insured Cal Pool: Feedback, Olive Crest & So. CA Alcohol & Drug Programs, 1992 Series A	01-Dec-92	01-Dec-22	5,735,000	5,435,000	300,000
Kaiser Permanente, 2006 Series C [RE-OFFERED Oct. 31, 2019]	08-Jun-06	01-Jun-41	325,000,000	73,800,000	251,200,000
Kaiser Permanente, 2006 Series E	08-Jun-06	01-Nov-40	175,000,000	-	175,000,000
Kaiser Permanente, Series 2017A	03-May-17	01-Nov-51	1,747,015,000	-	1,747,015,000
Kaiser Permanente, Series 2017B	03-May-17	01-Nov-29	75,385,000	-	75,385,000
Kaiser Permanente, Series 2017C	03-May-17	01-Aug-31	175,755,000	-	175,755,000
Kaiser Permanente, Series 2017D	03-May-17	01-Nov-32	128,320,000	-	128,320,000
LA BioMed, Series 2018	28-Aug-18	01-Sep-48	49,835,000	430,000	49,405,000
Lincoln Glen Manor for Senior Citizens, Series 2015	11-Feb-15	01-Apr-36	11,965,000	395,000	11,570,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series A	21-Mar-12	15-Aug-51	200,000,000	-	200,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2012 Series B	21-Mar-12	15-Aug-27	51,045,000	19,280,000	31,765,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series A	08-May-14	15-Aug-43	100,000,000	-	100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2014 Series B	08-May-14	15-Aug-43	100,000,000	-	100,000,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2021

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Defeased/ Retired	Bonds Outstanding as of June 30, 2021
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series A	31-Mar-16	15-Aug-33	76,975,000	16,345,000	60,630,000
Lucile Salter Packard Children's Hospital at Stanford, 2016 Series B	31-Mar-16	15-Aug-55	100,000,000	-	100,000,000
Lucile Salter Packard Children's Hospital at Stanford, 2017 Series A	17-Aug-17	15-Nov-56	200,000,000	6,455,000	193,545,000
Marshall Medical Center, Series 2012A	26-Sep-12	01-Nov-22	17,805,000	14,790,000	3,015,000
Marshall Medical Center, Series 2015	09-Apr-15	01-Nov-33	26,895,000	2,400,000	24,495,000
Marshall Medical Center, Series 2020A	27-Apr-20	01-Nov-50	46,975,000	-	46,975,000
Marshall Medical Center, Series 2020B (Taxable)	27-Apr-20	01-Nov-50	21,900,000	-	21,900,000
Memorial Health Services Variable Rate Refunding Bonds, Series 1994	01-Mar-94	01-Oct-24	85,000,000	62,900,000	22,100,000
Memorial Health Services, Series 2012A	25-Apr-12	01-Oct-33	163,735,000	71,815,000	91,920,000
Memorial Health Services, Series 2013A	20-Nov-13	01-Oct-43	50,000,000	-	50,000,000
Memorial Health Services, Series 2016A	30-Sep-16	01-Oct-28	50,000,000	-	50,000,000
Memorial Health Services, Series 2016B	30-Sep-16	01-Oct-28	65,000,000	-	65,000,000
Montecito Retirement Association, Series 2017A	22-Jun-17	01-Jun-22	30,500,000	-	30,500,000
Montecito Retirement Association, Series 2017B	22-Jun-17	01-Jun-32	16,000,000	520,275	15,479,725
Montecito Retirement Association, Series 2017C	22-Jun-17	01-Jun-24	6,000,000	3,326,612	2,673,388
No Place Like Home Program, Series 2019 (Social Bonds - Fed Taxable)	19-Nov-19	01-Jun-34	500,000,000	79,495,000	420,505,000
No Place Like Home Program, Series 2020 (Social Bonds - Fed Taxable)	04-Nov-20	01-Jun-35	450,000,000	-	450,000,000
Northern California Presbyterian Homes and Services, Inc., Series 2015	15-Apr-15	01-Jul-44	63,210,000	6,140,000	57,070,000
On Lok Senior Health Services, Series 2020 (Social Bonds)	19-Nov-20	01-Aug-55	39,680,000	-	39,680,000
Paradise Valley Estates Project (NCROC), Series 2013	04-Apr-13	01-Jan-26	32,315,000	17,835,000	14,480,000
Petaluma Health Center, Inc., 2016 Series A	13-Sep-16	01-Jun-40	5,775,000	730,000	5,045,000
PIH Health, Series 2020A	08-Oct-20	01-Jun-50	171,520,000	-	171,520,000
PIH Health, Series 2020B (Federally Taxable)	08-Oct-20	01-Jun-47	107,435,000	-	107,435,000
Providence Health & Services, Series 2014A	26-Jun-14	01-Oct-38	275,850,000	75,135,000	200,715,000
Providence Health & Services, Series 2014B	06-Aug-14	01-Oct-44	118,740,000	-	118,740,000
Providence St. Joseph Health, Series 2016A	28-Sep-16	01-Oct-47	448,165,000	-	448,165,000
Providence St. Joseph Health, Series 2016B-1	28-Sep-16	01-Oct-36	95,240,000	-	95,240,000
Providence St. Joseph Health, Series 2016B-2	28-Sep-16	01-Oct-36	95,245,000	-	95,245,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2021

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Defeased/ Retired	Bonds Outstanding as of June 30, 2021
Providence St. Joseph Health, Series 2016B-3	28-Sep-16	01-Oct-36	95,245,000	-	95,245,000
Providence St. Joseph Health, Series 2019B	01-Oct-19	01-Oct-39	118,535,000	-	118,535,000
Providence St. Joseph Health, Series 2019C	15-Oct-19	01-Oct-39	323,760,000	-	323,760,000
Rady Children's Hospital - San Diego, Series 2011	22-Nov-11	15-Aug-41	100,000,000	13,905,000	86,095,000
San Fernando Valley Community Mental Health Center, Inc., 1998 Series A	01-Jun-98	01-Jun-23	3,700,000	3,185,000	515,000
Scripps Health, 2001 Series A	10-Jul-01	01-Oct-23	60,000,000	52,600,000	7,400,000
Scripps Health, 2010 Series B	04-Feb-10	01-Oct-40	60,000,000	-	60,000,000
Scripps Health, 2010 Series C	04-Feb-10	01-Oct-40	40,000,000	-	40,000,000
Scripps Health, Series 2012A	01-Feb-12	15-Nov-40	175,000,000	-	175,000,000
Scripps Health, Series 2012B	01-Feb-12	01-Oct-42	60,000,000	-	60,000,000
Scripps Health, Series 2012C	01-Feb-12	01-Oct-42	40,000,000	-	40,000,000
Scripps Health, Series 2016A	29-Feb-16	01-Oct-25	50,000,000	23,965,000	26,035,000
Scripps Health, Series 2016B	29-Feb-16	01-Oct-25	100,000,000	50,000,000	50,000,000
Scripps Health, Series 2017A	31-Jan-17	01-Oct-31	160,000,000	-	160,000,000
Scripps Health, Series 2019A (Refunding)	15-Nov-19	15-Nov-36	99,360,000	3,360,000	96,000,000
Small Facilities Refinancing Program, 2005 Series A	12-Apr-05	01-Apr-25	22,545,000	22,025,000	520,000
St. Joseph Health System, 2009 Series C [RE-OFFERED on Oct. 16, 2015]	27-Aug-09	01-Jul-34	110,540,000	19,080,000	91,460,000
St. Joseph Health System, 2009 Series D [RE-OFFERED on Oct. 18, 2016]	27-Aug-09	01-Jul-34	56,150,000	16,600,000	39,550,000
St. Joseph Health System, Series 2013A	24-Jul-13	01-Jul-29	324,840,000	-	324,840,000
St. Joseph Health System, Series 2013C	24-Jul-13	01-Jul-43	110,000,000	-	110,000,000
St. Joseph Health System, Series 2013D	24-Jul-13	01-Jul-43	110,000,000	-	110,000,000
Stanford Health Care 2015 Series A	30-Jun-15	15-Aug-54	100,000,000	-	100,000,000
Stanford Health Care, 2017 Series A (Refunding)	28-Dec-17	15-Nov-40	454,200,000	-	454,200,000
Stanford Health Care, 2020 Series A	01-Apr-20	15-Aug-50	170,120,000	-	170,120,000
Stanford Health Care, 2021 Series A	30-Apr-21	15-Aug-54	157,715,000	-	157,715,000
Stanford Hospital and Clinics, 2008 Series A-2 [RE-OFFERED on June 15, 2011]	02-Jun-08	15-Nov-40	104,100,000	103,650,000	450,000
Stanford Hospital and Clinics, 2008 Series A-3 [RE-OFFERED on June. 16, 2011]	02-Jun-08	15-Nov-40	85,700,000	85,325,000	375,000
Stanford Hospital and Clinics, 2008 Series B-1	02-Jun-08	15-Nov-45	84,100,000	-	84,100,000
Stanford Hospital and Clinics, 2008 Series B-2 [RE-OFFERED on June 15, 2011, two subseries (1,2) each $42,050,000]	02-Jun-08	15-Nov-45	84,100,000	-	84,100,000
Stanford Hospital and Clinics, 2012 Series A	23-May-12	15-Aug-51	340,000,000	-	340,000,000
Stanford Hospital and Clinics, 2012 Series B	23-May-12	15-Aug-23	68,320,000	46,525,000	21,795,000

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATEMENT OF BONDS AND COLLATERALIZED NOTES, AUTHORIZED, ISSUED, AND OUTSTANDING
JUNE 30, 2021

Issued	Date Issued	Date of Final Maturity	Total Bonds Issued	Total Bonds Defeased/ Retired	Bonds Outstanding as of June 30, 2021
Sutter Health, Series 2016B	17-Aug-16	15-Nov-46	748,610,000	200,000,000	748,610,000
Sutter Health, Series 2016C	17-Aug-16	15-Aug-53	100,000,000	-	100,000,000
Sutter Health, Series 2017A	06-Jul-17	15-Nov-48	434,460,000	-	434,460,000
Sutter Health, Series 2018A	04-Apr-18	15-Nov-48	619,025,000	6,270,000	612,755,000
Tarzana Treatment Centers, Series 2019A	20-Mar-19	01-Jun-44	8,865,000	-	8,865,000
Tarzana Treatment Centers, Series 2019B (Taxable)	20-Mar-19	01-Jun-44	4,635,000	395,000	4,240,000
TLC Child & Family Services, Series 2011	07-Oct-11	01-Sep-25	2,475,000	1,715,000	760,000
The Help Group, Series 2012	02-Nov-12	01-Aug-37	6,210,000	1,400,000	4,810,000
TOTAL					**$ 16,483,035,671**

ADDITIONAL INFORMATION

GILBERT
Relax. We got this.℠

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

Independent Auditor's Report

CHFFA Members
California Health Facilities Financing Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the California Health Facilities Financing Authority's (CHFFA) Bond Financing Program Fund (Bond Program), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the CHFFA Bond Program's basic financial statements, and have issued our report thereon dated September 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CHFFA Bond Program's internal control over financial reporting (internal control) 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 CHFFA Bond Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the CHFFA Bond Program's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2021-001 that we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CHFFA Bond Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

CHFFA's Response to Finding

The CHFFA Bond Program's response to the finding identified in our audit is described in the accompanying schedule of findings. The CHFFA Bond Program's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Gilbert CPAs

GILBERT CPAs
Sacramento, California

September 28, 2022

SCHEDULE OF FINDINGS
JUNE 30, 2021 AND 2020

2021-001 – TIMELY AND ACCURATE FINANCIAL REPORTING

Criteria:

An essential aspect of any organization's internal control over its financial reporting process is the ability to produce accurate and timely financial data in accordance with Generally Accepted Accounting Principles (GAAP). Accurate and timely financial reporting enables management and those charged with governance to have a sound financial basis for decision making and meet required reporting requirements.

Accounting principles for the CHFFA Bond Program, an enterprise fund, include a requirement that financial statements be presented on the full-accrual basis of accounting.

Condition:

The CHFFA Bond Program's accounting close process was not adequate to prepare financial statements in an efficient and timely manner. The accounting records at the beginning of the audit were not accurate, resulting in several audit adjustments (outlined below). Additionally, financial information was not ready when audit fieldwork was originally scheduled, causing delays in the process.

An audit adjustment was made to increase revenue and increase accounts receivable by $152,238 for the annual administrative fees for the No Place Like Home (NPLH) Program that were recorded when billed, after June 30, 2021, rather than when earned. Additionally, an audit adjustment posted during the June 30, 2020, audit was not posted by CHFFA, necessitating a current year adjustment that increased accounts receivable, and increased net position by $87,500. This was also related to No Place Like Home Program administrative fees, which were not recorded in revenue by CHFFA until the payment was received in August 2022, although the administrative fees were related to the 19/20 fiscal year.

Cause:

The CHFFA Bond Program and its accountants from the State Treasurer's Office did not incorporate a sufficient closing process to produce timely and accurate financial statements in accordance with GAAP. This could include insufficient training of accounting staff, insufficient review of accounting performed throughout the year, and insufficient review and reconciliation of account balances during the close process.

Effect:

The above condition and cause resulted in understatement of revenue by $152,238, understatement of accounts receivable by $239,738, and understatement of net position by $87,500.

The year-end close and reconciliation of the CHFFA Bond Program's financial data represents a significant internal control process of its financial reporting and should not rely on the additional level of control supplied by an external financial audit.

Recommendation:

We recommend that the CHFFA Bond Program and the State Treasurer's Office work together to develop a plan to improve the accuracy and timeliness of the financial recording and reporting process. This could include improving training of staff, oversight and review of staff work, review, and reconciliation of account balances at year-end. State Treasurer's Office staff may be responsible for the internal control within the accounting department, but CHFFA Bond Program staff should review records periodically for accuracy and reasonableness and compare accounting records to schedules maintained by CHFFA program staff (for example, schedules of outstanding administrative fees). Additionally, although internal financial records must be kept on the legal basis of accounting, it is important that CHFFA program staff and STO accountants understand that the audited financials must be presented on the accrual basis of accounting and communicate all necessary information and adjustments to the auditors at the beginning of the audit process.

CHFFA Bond Program's Response:

To address the aforementioned findings, the State Treasurer's Office (STO) has develop procedures with specific deadlines to ensure a timely monthly/year-end closing process. All monthly reconciliations are reviewed by accounting management pursuant to the revised policy prior to fiscal year-end to correct any misstatements. Additionally, accounting management will emphasize the roles and responsibilities with accounting staff, as well as staff roles within the California Health Facilities Financing Authority (CHFFA).

During fiscal year 2020/21, Milestone 5 in the statewide Financial Information Systems for California (Fi$Cal) triggered numerous changes in the year-end closing process which caused a delay in the completion of CHFFA's financial statements. One significant change required modifications to the way in which equipment depreciation entries are done. Additionally, in Milestone 5, Fi$Cal was unable to carry any balances forward using coding that was unavailable in the system for future years, requiring a tremendous amount of clean-up and reconciling.

While the STO and CHFFA reviewed the accounts receivable balance reports prior to closing and finalizing financial statements, the annual administration fee for the No Place Like Home (NPLH) posting was not captured. In order to avoid this issue in the future, the STO and CHFFA have created reminders to ensure the administration fee calculation will be included in the financial statements closing process. CHFFA will create the invoice and share the invoice with the STO. If the STO does not receive the invoice, STO staff will work with CHFFA on the status of the annual administration fee invoice for its inclusion in the financial statements.

When adjusting entries are submitted and noted as an adjustment to the audited financial statements, a list will be created to identify which items might require corrections. Once the corrections are made in Fi$Cal a note will be placed with the list of items indicating the task is complete, including reference to the documents processed. This list will be reviewed carefully to ensure all items are covered and fixed correctly before the next audit.

Furthermore, staff will prioritize any requests made by the auditors by providing the requested information in a timely manner. Accounting management will continue to engage in training accounting staff on the updated monthly/year-end reconciliation procedures implemented for fiscal year 2021/22. A final review of the list of adjustments to ensure al items are accurately reflected before year-end statements are finalized will catch any potential errors. These steps will provide sufficient updates to the STO's internal processes to produce timely and accurate financial statements in accordance with Generally Accepted Accounting Principles.

CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY
BOND FINANCING PROGRAM FUND

STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2021 AND 2020

Recommendation	Current Status	CHFFA Bond Program's Explanation If Not Implemented
2020-001 – TIMELY AND ACCURATE FINANCIAL REPORTING	Partially implemented	See current year finding 2021-001
Condition: The CHFFA Bond Program's accounting close process was not adequate to prepare financial statements in an efficient and timely manner. The accounting records at the beginning of the audit were not accurate, resulting in several audit adjustments (outlined below). Additionally, support requested for audit procedures was not provided in a timely manner during the audit process. An audit adjustment was made to reduce accounts payable and expenses by $51,933 because invoices of a different fund were included in the CHFFA Bond Program's accounts. An audit adjustment was made to increase revenue and increase accounts receivable by $87,500 for the annual administrative fees related to a Fall 2020 bond issuance for the No Place Like Home (NPLH) Program that were recorded when billed, subsequent to June 30, 2021, rather than when earned. An audit adjustment was made to reduce accounts receivable and reduce the allowance for doubtful accounts by $167,133. This adjustment was the result of two errors: 1. $300,829 collected on delinquent accounts receivable were removed from accounts receivable and the allowance for doubtful accounts twice; and 2. An adjustment that was made during fiscal year 19/20 to correct for a Fi$Cal error in the 17/18 closing process was not reversed as it should have been. These errors had a $0 net effect but show that no reconciliation was performed between the accounts receivables total in the accounting records, and known outstanding administrative fees tracked by Bond Program staff. **Recommendation:** We recommend that the CHFFA Bond Program and the State Treasurer's Office work together to develop a plan to improve the accuracy and timeliness of the financial recording and reporting process. This could include improving training of staff, oversight and review of staff work, review, and reconciliation of account balances at year-	No material errors in expenses or accounts payable were noted in 2021, nor were there any duplicate entries posted. Adjustments were still needed to properly present fee revenue. See finding 2021-001 above.	

Recommendation	Current Status	CHFFA Bond Program's Explanation If Not Implemented
end, and communication of expectations of staff in regard to their responsibilities for timely responses during the audit process. State Treasurer's Office staff may be responsible for the internal control within the accounting department, but CHFFA Bond Program staff should review records periodically for accuracy and reasonableness and compare accounting records to schedules maintained by CHFFA program staff (for example, schedules of outstanding administrative fees).		