

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

REGULAR MEETING ***TELECONFERENCE MEETING NOTICE and AGENDA*** LOCATIONS LISTED BELOW

10:30 A.M.
Thursday, February 26, 2026
Zoom Call Information

<https://us02web.zoom.us/j/82144588207?pwd=DKArZhHvh4b3HpK3gmpnYVnbLWybvU.1>

Meeting ID: 830 9095 0409

Passcode: 866446

One tap mobile

+16699006833,,83090950409#,,,,*866446# US (San Jose)

+13462487799,,83090950409#,,,,*866446# US (Houston)

Call to Order and Roll Call

Statement of Disclosure

Action Items

1. Consent Agenda
 - a. Approve Minutes from February 19, 2026.
2. Review and approve 2025 CEDA Audit and Audit findings.

Public Comment

Chair Report

Other Business

Adjournment

Members of CEDA and members of the public may access this meeting at the following locations:

California Association for Local
Economic Development
(Contact Michelle Stephens)
2150 River Plaza Dr., Suite 275
Sacramento, CA 95833

City of Oceanside
(Contact Michelle Geller)
300 N. Coast Highway
Oceanside, CA 92054

City of West Sacramento
(Contact Aaron Laurel or
Sandra Barcenas)
1110 West Capitol Avenue, 3rd Floor
West Sacramento, CA 95691

East Bay Economic Development
Alliance (Contact Stephen Baiter)
1221 Oak St., Ste. 555
Oakland, CA 94612

City of Ontario
(Contact Jennifer Hiramoto)
303 E. B Street
Ontario, CA 91764

Opportunity Stanislaus
(Contact Dave White)
1100 14th Street, Suite A
Modesto, CA 95354

City of Long Beach
(Contact Eric Romero)
4811 Airport Plaza Dr., Suite 200
Long Beach, CA 90815

Larry Vaupel
3723 Lake Circle Dr.
Fallbrook, CA 92028

This agenda can be obtained at <https://ceda.caled.org>. The California Enterprise Development Authority complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities and by providing this notice and information in alternative formats when requested. If you need further assistance, you may contact us before the meeting at (916) 448-8252, ext. 12.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MINUTES
REGULAR MEETING
TELECONFERENCE MEETING
CEDA BOARD OF DIRECTORS

10:30 A.M.
Thursday, February 19, 2026
Zoom Call Information

<https://us02web.zoom.us/j/83090950409?pwd=0m-8petUUMOnlGjf9Cv-ucfTFWNKIK.1>

Meeting ID: 830 9095 0409
Passcode: 866446

Call to Order:

Gurbax Sahota, Chair of the California Enterprise Development Authority, called the meeting to order at 10:31.

Roll Call:

Members Present:
Stephen Baiter
Michelle Geller
Jennifer McLain Hiramoto
Gurbax Sahota

CALED Management/Staff Present:

Ian Gill
Michelle Stephens

Public:

David Mnatsakanyan, Kutak Rock

Statement of Disclosure

Chair Sahota mentioned that, as CEO of CALED, she would be abstaining from voting on items three through five, as they involve financial contributions to CALED.

Action Items

1. Consent Agenda
 - a. Approve Minutes from December 11, 2025.

Motion: Board Member Jennifer Hiramoto made the motion to approve the Consent Agenda. Board Member Stephen Baiter seconded the motion on the floor.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Yes

2. Approve Resolution of the California Enterprise Development Authority Approving the Establishment of a Bank Account in Connection with the Administration of the California Enterprise Development Property Assessed Clean Energy Program.

Discussion: Michelle Stephens gave the staff report. Discussion ensued.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Motion: Jennifer Hiramoto made the motion to approve the Resolution. Michelle Geller seconded the motion on the floor.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Yes

3. Approve the Contribution to Fund a Brand Strategy and Identity Development Service for the Project Development & Finance (PD&F) Division.

Discussion: Michelle Stephens gave the staff report. Discussion ensued.

Motion: Jennifer Hiramoto made the motion to approve the Resolution. Michelle Geller seconded the motion on the floor.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Abstained

4. Approve the Contribution of for up to 20 Scholarships to Support Economic Developers.

Discussion: Michelle Stephens gave the staff report. Discussion ensued.

Motion: Stephen Baiter made the motion to approve the Resolution. Jennifer Hiramoto seconded the motion on the floor.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Abstained

5. Approve the Contribution to Support CALED's Annual Conference.

Discussion: Michelle Stephens gave the staff report, noting that some of the hotel-related deliverables will likely change. Discussion ensued, with Jennifer Hiramoto making the motion to approve as it is currently written.

Motion: Jennifer Hiramoto made the motion to approve the Resolution. Michelle Geller seconded the motion on the floor.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Abstained

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

Public Comment

None

Chair Report

Chair Sahota mentioned that there will be a CEDA meeting next week to present the CEDA audit.

Other Business

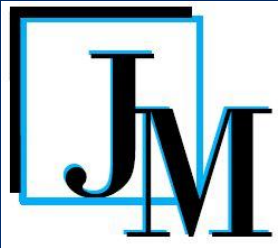
Chair Sahota discussed the upcoming CALED Board and Advisor trip to Washington, D.C. in March. She discussed some goals of the trip, including advocacy for improvements to industrial development bonds. Because some trip attendees are members of both the CALED and CEDA boards, she noted that the gathering could constitute a quorum of the CEDA board, and reminded them that any meeting on industrial development bonds is solely for the purpose of educating others on the value of the financing tool. There will be no discussion had or action taken in their capacity as CEDA board members.

Adjournment

Jennifer Hiramoto made the motion to adjourn the meeting. Stephen Baiter seconded the motion on the floor. Chair Gurbax Sahota adjourned the meeting at 10:51 am after the roll call vote.

The motion passed with the following roll call vote:

Stephen Baiter	Yes
Michelle Geller	Yes
Jennifer McLain Hiramoto	Yes
Gurbax Sahota	Yes



**CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024**

JAMES MARTA & COMPANY LLP
701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 999-9494
(916) 993-9489 FAX

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

JUNE 30, 2025

BOARD OF DIRECTORS

Gurbax Sahota	Chair
Larry Vaupel	Vice Chair/Secretary
Dave White	Treasurer
Bob Burris	Member
Jennifer McLain Hiramoto	Member
Josh Metz	Member
Aaron Laurel	Member
Eric Romero	Member

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Statement of Fiduciary Cash Receipts and Disbursements	9
Notes to Financial Statements	10
Other Auditor's Report	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15
Schedule of Findings and Questioned Cost	17



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Enterprise Development Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying Statement of Net Position of California Enterprise Development Authority (CEDA) as of and for the years ended June 30, 2025 and 2024, and the related Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows, and the Statement of Fiduciary Cash Receipts and Disbursements for the years then ended, and the related notes to the financial statements, which collectively comprise California Enterprise Development Authority's basis financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the California Enterprise Development Authority, as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows, and fiduciary cash receipts and disbursements thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Enterprise Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

As further described in Note 1 to the financial statements, the fiduciary activities related to the residential PACE program are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

California Enterprise Development Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and cash basis for the fiduciary activities as described in note 1 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

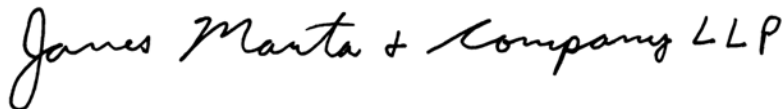
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2026 on our consideration of the California Enterprise Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 California Enterprise Development Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Marta & Company LLP".

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

Overview

This section of the California Enterprise Development Authority (CEDA) annual financial report presents management's discussion and analysis of its financial performance during the fiscal year that ended on June 30, 2025. It is being provided for the purpose of enhancing the information in the financial audit and should be reviewed in concert with that report.

CEDA is a joint powers authority created in 2006. The Authority has a governing Board of eight members who comprise the Executive Committee of the California Association for Local Economic Development (CALED) and the President/CEO of CALED. Public agency members of CEDA join to facilitate the issuance of private activity bonds for the purpose of economic and community development.

Guiding Principles for Budget Development

CEDA prepares a budget using the following principles to align its financial resources with its mission and organizational priorities:

- CEDA's financial and administrative activities are governed by means of a Management Agreement with CALED.
- Programs and services are funded within the limits of fee revenue derived from bond issuance.
- Two reserve funds (operating budget and legal) are budgeted when necessary and shown in the adopted budget. At the end of the year, excess funds may be committed to the reserves.

Financial Highlights

In 2024-25, CEDA issued 20 bonds for a total bond amount of \$798,335,049. In comparison, 2023-24 saw a total dollar amount of authorized bonds at \$758,502,500 and 15 deals closed. Issuance fee revenues were higher this year than the previous year with \$302,590 fee revenue in 2023-24 versus \$671,665 in 2024-25 due to fewer bonds being issued in the previous year.

The management fee payable to CALED of \$300,000 that was approved by the CEDA board to commence fiscal year 2017-18 remained the same in fiscal year 2024-2025.

CEDA continued the marketing contract with Kosmont Financial Services to market the new pooled-financing program, Bonds Advancing New Development (BAND). This contract is reflected in the direct program expenses portion of the audit. While an added direct expense, CEDA feels this investment will benefit the JPA through the diversity of projects and ability to assist in more economic development finance opportunities throughout the state.

The success of CEDA's conduit-bond issuances is best seen in the contributions made to economic development. CEDA was formed in 2006 with the specific mission of supporting economic development in California. CEDA's contributions help economic developers attend training events and further support economic development. The CEDA Board was able to approve a contribution to economic development for \$541,008. While increased from \$245,000 in FY 2023-24, the Board the contribution for this fiscal year is more in line with past CEDA contributions.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024

Condensed Statement of Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current Assets	\$ 1,545,474	\$ 1,449,952	\$ 1,489,500
Current Liabilities	106,830	60,796	36,303
Net Position Unrestricted	<u>\$ 1,438,644</u>	<u>\$ 1,389,156</u>	<u>\$ 1,453,197</u>

Condensed Statement of Activities

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues	\$ 987,298	\$ 572,166	\$ 901,763
Expenses	937,810	636,207	891,028
Changes in Net Position	49,488	(64,041)	10,735
Net Position Beginning	1,389,156	1,453,197	1,442,462
Net Position Ending	<u>\$ 1,438,644</u>	<u>\$ 1,389,156</u>	<u>\$ 1,453,197</u>

Economic Factors Affecting the Future

Primary sources of revenue are derived from application, issuance, annual fees, and PACE management fees. Primary expenditures are the Management Agreement with CALED, various direct expenses (such as SLIP Insurance), and contributions of excess funds to CALED for economic development purposes.

The Authority had a successful year, and CEDA is focused on bolstering deal flow in the 2024-25 fiscal year by continuing to build existing key relationships and partnerships.

Non-Profit 501(c)(3) bonds continued to drive CEDA's growth this past year and likely will continue to make up most issuances in the coming fiscal year. These deals are a combination of new projects and refinancings.

While CEDA did not issue any Industrial Development Bonds (IDBs), CEDA continues to promote this financing tool to support growth in the statewide manufacturing industry and to fight for allocation at the State Treasurer's Office.

CEDA closed two commercial PACE (C-PACE) projects in 2024-25 with our partner CleanFund. CEDA was happy to have these projects and hopes that it marks the continuation of a strong relationship. The termination of CEDA's contract with Dividend Finance continued and will be finalized in early 2025-26.

BASIC FINANCIAL STATEMENTS

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF NET POSITION

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,514,543	\$ 1,426,544
Accounts receivable	29,000	21,297
Prepaid expenses	1,931	2,111
	<u>1,545,474</u>	<u>1,449,952</u>
Total assets		
	<u>1,545,474</u>	<u>1,449,952</u>
LIABILITIES		
Current Liabilities		
Performance deposits	100,000	-
Due to affiliated entity	6,830	13,454
Unearned revenue	-	47,342
	<u>106,830</u>	<u>60,796</u>
Total liabilities		
	<u>106,830</u>	<u>60,796</u>
NET POSITION		
Unrestricted	<u>\$ 1,438,644</u>	<u>\$ 1,389,156</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Fee revenues	\$ 983,518	\$ 571,703
Total operating revenues	983,518	571,703
OPERATING EXPENSES		
Management fees	300,000	300,000
Contribution to economic development	541,008	245,000
Direct program expenses	96,802	91,207
Total operating expenses	937,810	636,207
Operating income	45,708	(64,504)
NONOPERATING REVENUES		
Investment income	3,780	463
Change in net position	49,488	(64,041)
Net position, July 1	1,389,156	1,453,197
Net position, June 30	\$ 1,438,644	\$ 1,389,156

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash receipts from fees charged	\$ 928,473	\$ 595,248
Cash paid for management fees and economic development	(841,008)	(535,349)
Cash paid for direct program expenses	<u>(3,246)</u>	<u>(122,558)</u>
Net cash provided (used) by operating activities	<u>84,219</u>	<u>(62,659)</u>
Cash flows from investing activities:		
Interest income received	<u>3,780</u>	<u>463</u>
Increase (decrease) in cash	87,999	(62,196)
Beginning cash and cash equivalents	<u>1,426,544</u>	<u>1,488,740</u>
Ending cash and cash equivalents	<u>\$ 1,514,543</u>	<u>\$ 1,426,544</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 45,708</u>	<u>\$ (64,504)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts receivable	(7,703)	(21,297)
Prepaid expenses	180	(1,351)
Increase (decrease in):		
Performance deposits	100,000	(30,000)
Due to affiliated entities	(6,624)	9,651
Unearned revenues	<u>(47,342)</u>	<u>44,842</u>
Net cash provided by operating activities	<u>\$ 84,219</u>	<u>\$ (62,659)</u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY
STATEMENT OF FIDUCIARY CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

PACE Program Activity		
	<u>2025</u>	<u>2024</u>
Cash Receipts		
Revenues Received	<u>\$ 929,402</u>	<u>\$ 965,346</u>
Total additions	<u>929,402</u>	<u>965,346</u>
 Cash Disbursements		
Expenses Paid Out	943,673	931,370
Other Disbursements	<u>7,565</u>	<u>5,673</u>
Total deductions	<u>951,238</u>	<u>937,043</u>
 Change in Cash Position	 (21,837)	 28,303
Cash Balance - beginning	<u>604,593</u>	<u>576,290</u>
Cash Ending - beginning	<u><u>\$ 582,756</u></u>	<u><u>\$ 604,593</u></u>

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

California Enterprise Development Authority (the "Authority") is a joint powers agency formed on June 1, 2006 pursuant to the provisions of Title I, Division 7, Chapter 5, Article I of the Government Code of the State of California. The purpose of the Authority is to assist the members, for-profit and non-profit organizations located within the jurisdictions of the members in financing industrial and commercial development projects and other public purpose projects.

The Authority issues conduit debt for the express purpose of providing capital financing for a specific third party that is not part of the Authority's financial reporting entity. Although the conduit debt obligations may bear the name of California Enterprise Development Authority, the Authority has no obligation for such debt beyond the resources provided by a lease or a loan with the third party on whose behalf they are issued.

Property Assessed Clean Energy (PACE) Program

Property assessed clean energy (PACE) is a mechanism for financing energy efficiency and renewable energy improvements on properties. Under Assembly Bill 811, California property owners in special assessment districts may enter into voluntary contractual assessments against their properties, to finance a range of authorized energy and water efficiency products and improvements. In partnership with Dividend Finance, CEDA offers PACE funding to property owners to amortize payments for eligible improvements for up to 20 years with long term, low interest rate loans and no money down, repaid as a line-item on the property owner's annual property tax bill.

During fiscal year 2016-17, CEDA implemented a residential PACE (R-PACE) program in addition to commercial PACE (C-PACE) already in its portfolio. On behalf of Dividend Finance's clients, CEDA issues multijurisdictional bonds that generate private capital for PACE commercial property improvement projects and bonds to take out loans to finance residential property projects.

Legislation passed in January 2018 resulted in Dividend Finance halting new R-PACE project originations as of April 1, 2018, until solutions to meet the necessary underwriting requirements could be resolved. CEDA has discontinued its R-PACE program and is not issuing new debt but continues to service previously existing R-PACE contracts and perform administrative work for R-PACE related to the closing of the program.

CEDA is in the process of ending its partnership with administrator Dividend Finance. CEDA has engaged with a new administration team, CleanFund, for new commercial PACE transactions. CEDA has also engaged Willdan to provide administration for existing and new C-PACE.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

Since these funds are controlled by a third party and not by CEDA, the Authority has elected to use the cash basis of accounting as described in Note 1.B.

B. BASIS OF ACCOUNTING

The Authority is accounted for as an enterprise fund and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority include application, issuance and annual fees. Operating expenses of the Authority include the cost of providing the services, administrative expenses and management fees. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

Fiduciary Funds – Cash Basis

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority uses a fiduciary fund to account for the proceeds and expense associated with its Property Assessed Clean Energy (PACE) program. The fund activities are reported in a separate statement of fiduciary net position and statement of changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's general operations. The fiduciary fund financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

C. CASH AND CASH EQUIVALENTS

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

D. INCOME TAXES

The Authority is a tax-exempt corporation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2025 and 2024 consisted of the following:

	<u>Governmental Activities</u>		<u>Fiduciary Activities</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Cash in banks	<u>\$ 1,514,543</u>	<u>\$ 1,426,544</u>	<u>\$ 582,756</u>	<u>\$ 604,593</u>

Custodial Credit Risk

Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts, by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by governmental units.

3. PERFORMANCE DEPOSIT

Any organization applying for Industrial Development Bonds is required to submit a performance deposit to the Authority equal to 0.5% of the amount of the Qualified Private Activity Bond Allocation being requested, not to exceed \$100,000. Upon issuance of the Bonds, the state notifies the Authority who returns the performance deposit to the applicant. The Authority has \$100,000 performance deposit as of June 30, 2025.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

4. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2025 through January 30, 2026, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

5. RELATED PARTY TRANSACTIONS

The Joint Powers Agreement has designated California Association for Local Economic Development (CALED), a California nonprofit corporation, as the administrator and executor of the agreement. The agreement also designates the Executive Committee of the Board of Directors of CALED and the President of CALED as the Board of Directors of the Authority.

For the years ended June 30, 2025 and 2024, the Authority entered into a management agreement with CALED, an affiliated entity, for an annual fee of \$300,000 for both fiscal years. CALED provides administrative oversight, office space and other related expenses and services under the management agreement.

As of June 30, 2025, there was an additional payment to CALED which represents expenses paid by CALED on behalf of the Authority amounting to \$12,903 and a balance due to CALED in the amount of \$6,830.

6. CONDUIT DEBT OBLIGATIONS

The Authority has issued Conduit Bonds to provide financial assistance to organizations for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the organization served by the bond issuance. The Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

6. CONDUIT DEBT OBLIGATIONS (Continued)

As of June 30, 2025, the Authority had the following number of Conduit Bonds authorized, related authorized bond issue amount, related aggregate principal balance due as of June 30 and related fees charged:

Fiscal Year Ended June 30:	Number of Bonds Authorized	Dollar Amount of Bonds Authorized	Outstanding Principal Balance	Issuance Fees
2025	20	\$ 798,335,049	\$ 731,666,410	\$ 671,665
2024	15	758,502,500	704,188,435	302,590
2023	31	454,856,000	373,169,425	563,432
2022	39	587,575,533	471,792,220	698,757
2021	32	590,475,020	410,641,603	636,889
2020	26	553,771,000	395,525,765	639,329
2019	24	368,113,249	234,690,629	471,535
2018	32	349,425,910	164,883,252	525,569
2017	33	625,952,139	307,537,861	817,942
2016	14	113,606,718	65,107,394	199,665
2015	17	111,530,080	53,222,706	162,861
2014	17	209,824,479	45,148,424	208,162
2013	10	203,300,000	66,490,294	196,625
2012	4	55,250,000	-	65,625
2011	28	522,247,271	116,147,967	760,670
2010	8	82,184,455	-	147,886
2009	5	37,000,000	7,387,000	70,000
2008	10	188,192,839	6,485,000	292,715
2007	3	40,065,000	-	65,525
Totals	348	\$ 6,650,207,242	\$ 4,154,084,385	\$ 7,497,440



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

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

To the Board of Directors
California Enterprise Development 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 (*Government Auditing Standards*), the basic financial statements of California Enterprise Development Authority (the “Authority”), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon January 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item **2025-01** that we consider to be a significant deficiency.

Report on Compliance and Other Matters

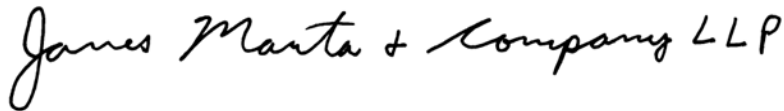
As part of obtaining reasonable assurance about whether the California Enterprise Development Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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*.

The Authority's response

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 30, 2026

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2025-01 - Failure to Accrue Revenues in the Proper Accounting Period

Criteria:

In accordance with applicable accounting standards and the accrual basis of accounting, revenues and related receivables should be recognized in the period in which they are earned and measurable.

Condition:

The Accounts Receivable (A/R) balance of \$29,000 amount that was related to the LA County Museum applicable to current financial year was not recorded in the accounting records for the year 2024-25.

Cause:

Management did not recognize the receivable due to delay in receiving the copy of the invoice to accrue the Accounts Receivable balance on time, which is a weakness in the year-end closing process, resulting in incomplete identification and recording of outstanding balances.

Effect:

The omission resulted in an understatement of Accounts Receivable and revenue totaling \$29,000. The auditor proposed an adjusting entry, which management agreed to record, to ensure the fair presentation of the financial statements.

Recommendation:

Management is encouraged to ensure that Accounts Receivable balances are consistently recorded and documented at each reporting period end to strengthen the accuracy and completeness of financial records and to support effective financial reporting.

Management Response:

Management Response: CEDA understands the seriousness of recognizing revenue in the correct period. It is something we regularly watch for. This project was unique in that the payment arrived well after the close date. We will continue to monitor these situations.



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**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
California Enterprise Development Authority
Sacramento, California

We have audited the financial statements of the California Enterprise Development Authority (CEDA) for the years ended June 30, 2025 and 2024, and have issued our report thereon dated January 30, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated April 30, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of CEDA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted the majority of our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Organization's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CEDA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are new Governmental Accounting Standards that may affect the District in upcoming years. See Attachment A.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

We are not aware of any significant estimates in the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the California Enterprise Development Authority's financial statements relate to the conduit debt obligations in Note 6 to the financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We are not aware of any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We are not aware of any material misstatements as a result of our audit procedures. There were no corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to California Enterprise Development Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 30, 2026 (Attachment B).

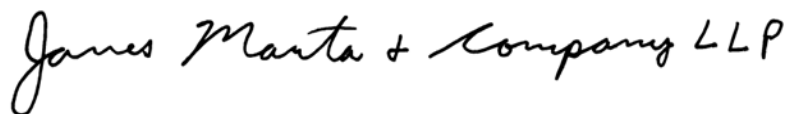
Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with California Enterprise Development Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the use of the Board of Directors and management of California Enterprise Development Authority and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 30, 2026

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the District in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the District. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 103, Financial Reporting Model Improvements
Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

We do not expect GASB 103 to have any significant impact on the CEDA at this time.

GASB Statement No. 104, Disclosure of Certain Capital Assets
Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period.

CEDA is currently assessing the financial statement impact of GASB 104.



California Enterprise Development Authority
Targeting Capital Resources to Grow Local Economies

MANAGEMENT REPRESENTATION LETTER

January 30, 2026

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the Statement of Financial Position, Statement of Activities, Statement of Cash Flows and statement of fiduciary cash receipts and disbursements of California Enterprise Development Authority (CEDA) as of June 30, 2025 and 2024 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of California Enterprise Development Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 30, 2026:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 30, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



California Enterprise Development Authority

Targeting Capital Resources to Grow Local Economies

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment A.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- All cash activity has been properly reflected in the fiduciary fund.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.



California Enterprise Development Authority

Targeting Capital Resources to Grow Local Economies

- The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- California Enterprise Development Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which California Enterprise Development Authority is contingently liable.



California Enterprise Development Authority

Targeting Capital Resources to Grow Local Economies

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- California Enterprise Development Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Gurbax Sahota, Chair of the Board



California Enterprise Development Authority
 Targeting Capital Resources to Grow Local Economies

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To tie out equity to PY audit report			
7110	Operating Expenses:Direct Expenses:Printing/Marketing	1,984	
3000	Retained Earnings		1,984
Total		1,984	1,984
Adjusting Journal Entries JE # 2			
To adjust the Accounts Receivable balance that was not accrued in the CY			
1100	Accounts Receivable	29,000	
4010	Non Operating Revenue:Operating Revenue:Fee Revenues:Application Fees		1,500
4040	Non Operating Revenue:Operating Revenue:Fee Revenues:Issuance Fees:Issuance Fee-Nonprofit		27,500
Total		29,000	29,000

Reclassifying Journal Entries

None.

Proposed Journal Entries

None.